



South Australian  
Local Government Grants Commission

# 2017-18 Annual Report

South Australian Local Government Grants Commission

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To: The Hon Stephan Knoll MP  
Minister for Transport, Infrastructure and Local Government  
Minister for Planning

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 2017-18.

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

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

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

Mary Patetsos  
**Chair**  
**South Australian Local Government Grants Commission**



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Signature

30 September 2018

Date

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

### **Agency Purpose or Role**

The main function of the South Australian Local Government Grants Commission is to make recommendations to the Minister for Transport, Infrastructure and 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 2017-18, the Commission made recommendations on the distribution of Financial Assistance Grants for 2018-19 totalling \$160.24 million. Of this, \$118.73 million was provided for general purpose grants and \$41.51 million provided for identified local road grants. This represents an increase in general purpose grants from the previous year of 2.02 percent and an increase in identified road grants of 3.8 percent, an overall increase of 2.47 percent over the previous year.

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 general purpose grants has reduced from 7.10 percent in 2017-18 to an estimated 6.98 percent of the pool of available funding for 2018-19.

In addition to the Financial Assistance Grants, \$20 million was provided for 2018-19 under the Supplementary Local Road Funding program which was reinstated as part of the 2017-18 Federal Budget for a period of 2 years.

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.

For 2018-19, the Commission increased general purpose grants to over half of the States local governing authorities experiencing an increasing need for assistance. Decreases in grants were provided to the remaining councils assessed as having a decreasing need for assistance.

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

Information collected by the Commission is 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 2017-18.

In keeping with progressive updates made in previous years, the Commissions Supplementary Return was again reviewed in 2017-18 to ensure that it mirrors the Model Financial Statements used by the local government sector.

Membership of the Commission remained stable during 2017-18. The Chair, Mary Patetsos is a joint nominee of the Minister for Transport, Infrastructure and Local Government and the Local Government Association, Commissioner Rory McEwen is the nominee of the Minister for Transport, Infrastructure and Local Government and Mayor Dave Burgess the nominee of the Local Government Association.

## **Objectives**

The South Australian Local Government Grants Commission makes recommendations to the Minister for Transport, Infrastructure and Local Government on the distribution of untied Commonwealth Financial Assistance Grants.

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

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

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

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

The Commission's responsibilities are independent of the South Australian Government's Objectives.

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

### **Special Local Roads Program**

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

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

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

The LGTAP is a Panel of the LGA, which provides executive support. The Panels main role is to make recommendations to the Grants Commission on the allocation of the Special Local Roads component of the Financial Assistance Grants, the Commonwealth's Roads to Recovery Program and the Supplementary Local Road Funding Program (which was reinstated for 2017-18).

The current Panel comprises Mayor Keith Parkes, (Mayor, Alexandrina Council), as Chairperson, Mr Mike Wilde as proxy for Mr Don Hogben (General Manager, Department of Planning, Transport and Infrastructure), Mr Richard Dodson (General Manager, Infrastructure and Works, Light Regional Council), Mr Peter Tsokas (CEO, City of Unley) and Mr Peter Ilee (Executive Officer, SA Local Government Grants Commission). The Committee's Executive Officer is Mr Neville Hyatt as proxy for Mr Lee Bacon, 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 2018-19, \$6.23 million will be allocated to specific projects under the Financial Assistance Grants program, \$4.22 million from the Special Projects component of the Roads to Recovery Grants and \$3.0 million from the Supplementary Local Road Funding program. A total of \$13.45 million will be allocated to 33 projects across the State for 2018-19. Of these projects, 8 projects will be undertaken in metropolitan councils and 25 projects will be undertaken in regional/rural councils.

### **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, continue to be responsible for advising the Minister for Transport, Infrastructure and Local Government 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, Intergovernmental Relations, Department of Planning, Transport and Infrastructure), and Mr Peter Ilee (Executive Officer, SA Local Government Grants Commission).

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

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

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

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

### **Organisation of the Agency**

#### **Members**

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

Members during 2017-18 were:

- Ms Mary Patetsos, Chair from 13 August 2015 to 12 August 2018, is the joint nominee of the Local Government Association and the Minister for Transport, Infrastructure and Local Government and a Commissioner since 2002;
- Mr Rory McEwen, Commissioner from 1 August 2016 to 31 July 2019, is the nominee of the Minister for Transport, Infrastructure and Local Government; and
- Mayor Dave Burgess, Commissioner from 23 May 2017 to 22 May 2020, is the nominee of the Local Government Association.

#### **Administrative Support**

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, Mr Peter Ilee, Senior Project Officer, Mr Alex Sgro and a part-time Project Officer, Ms Fiona Mitchell.

#### **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 2017-18 is provided on the following page:

<b>Meeting Date</b>	<b>Meeting Participants</b>
20 July 2017	<p><b>Commissioners</b> Ms Mary Patetsos (C) and Mr Rory McEwen. <i>Apologies:</i> Mayor Dave Burgess.</p> <p><b>Attendees</b> Mr Peter Ilee (EO), Mr Alex Sgro, Ms Fiona Mitchell and Ms Alex Hart. (Manager, OLG).</p>
1 September 2017	<p><b>Commissioners</b> Ms Mary Patetsos (C) and Mr Rory McEwen. <i>Apologies:</i> Mayor Dave Burgess.</p> <p><b>Attendees</b> Mr Peter Ilee (EO), Mr Alex Sgro and Ms Fiona Mitchell. <i>Apologies:</i> Ms Alex Hart (Manager, OLG).</p>
11 December 2017	<p><b>Commissioners</b> Ms Mary Patetsos (C), Mr Rory McEwen and Mayor Dave Burgess.</p> <p><b>Attendees</b> Mr Peter Ilee (EO), Mr Alex Sgro and Ms Alex Hart (Manager, OLG). <i>Apologies:</i> Ms Fiona Mitchell.</p>
23 February 2018	<p><b>Commissioners</b> Ms Mary Patetsos (C), Mr Rory McEwen and Mayor Dave Burgess.</p> <p><b>Attendees</b> Mr Peter Ilee (EO), Mr Alex Sgro, Ms Fiona Mitchell and Ms Alex Hart. (Manager, OLG).</p>
24 April 2018*	<p><b>Commissioners</b> Ms Mary Patetsos (C), Mr Rory McEwen and Mayor Dave Burgess.</p> <p><b>Attendees</b> Mr Peter Ilee (EO) <i>Apologies:</i> Mr Alex Sgro, Ms Fiona Mitchell and Ms Alex Hart (Manager, OLG).</p>
24 May 2018	<p><b>Commissioners</b> Ms Mary Patetsos (C), Mr Rory McEwen and Mayor Dave Burgess.</p> <p><b>Attendees</b> Mr Peter Ilee (EO), Ms Fiona Mitchell and Ms Alex Hart. (Manager, OLG). <i>Apologies:</i> Mr Alex Sgro</p>
29 June 2018	<p><b>Commissioners</b> Ms Mary Patetsos (C), Mr Rory McEwen and Mayor Dave Burgess.</p> <p><b>Attendees</b> Mr Peter Ilee (EO), Mr Alex Sgro and Ms Fiona Mitchell. <i>Apologies:</i> Ms Alex Hart. (Manager, OLG).</p>

(C) Denotes Chair (or Presiding Member).

(EO) Denotes Commission's Executive Officer

\* meeting held "on the road" at Moonta while visiting councils.



## **Member Profiles**

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

Commissioner of the Local Government Grants Commission since 2002 and Commission Chair since 2010; Chair, ACH Group; Immediate Past Chair, SA Housing Trust; Chair, Department of Communities and Social Inclusion - Audit and Finance Committees; Deputy Chair of the SA Health Performance Council and member of the Aged Care Sector Diversity Committee; Chairperson, Federation of Ethnic Communities Council of Australia; Chairperson Power Community Limited, Port Adelaide Football Club; and Director, Catherine House.

### **Mr Rory McEwen B.Ag.Sc., Grad. Dip.Ed. Admin., Grad. Dip Curr. Devel.**

Commissioner of the Local Government Grants Commission since August 2016; Member of the South Australian House of Assembly 1997 to 2010; Cabinet Minister for 6 years with various portfolios including State/Local Government Relations; Elected Member, District Council of Mount Gambier 1983 to 1985; Chairman, District Council of Mount Gambier / Grant 1985 to 1997; Chairman of the South East Local Government Association 1991 to 1997; Chairman, Greater Green Triangle Regional Development Association 1993 to 1997; TAFE Educational Manager 1983 to 1997; Independent Chair, TOP Pork Pty Ltd; Independent Chair, Southern Zone Abalone Association; and National President, Ryder Cheshire Australia.

### **Mayor Dave Burgess**

Commissioner of the Local Government Grants Commission since May 2017; Mayor, Mid Murray Council since 2010; Local Government Association Board member since 2011; SA Regional Organisation of Councils (SAROC) since 2011; Director to represent the Local Government Association on Board of the Australian Local Government Association; Chair of Local Government Workers Compensation Scheme and Local Government Mutual Liability Scheme since December 2015; President of Murraylands and Riverland Local Government Association since 2012 and member since 2007; Deputy Chairman of Regional Development Australia Murraylands and Riverland Board and Board Member from 2010 to July 2018; Previous Immediate Past President of the Local Government Association; and Member of the Murray River Lakes and Coorong Tourism Alliance (previously Murraylands Tourism Partnership) for 9 years.

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

The Commission is an independent Statutory Authority and is not related to any other State Agency. The Commission's Staff are employees of the Department of Planning, Transport and Infrastructure.

### **Employment Opportunity Programs**

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

The Commission's administrative staff are managed within the human resources management framework provided by the Department of Planning, Transport and Infrastructure.

### **Agency Performance Management and Development Systems**

Agency Performance Management and Development systems are in place for the Commissions administrative staff as employees of the Department of Planning, Transport and Infrastructure.

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

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

Programs in place are determined by the Department of Planning, Transport and Infrastructure.

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

The Department of Planning, Transport and Infrastructure provides appropriate policies, procedures and systems to manage work health and safety and return to work performance on behalf of the Commission.

There have been no workplace injury claims, incidents or notices issued under the *Work, Health and Safety Act 2012* or return to work costs incurred during 2017-18.

### **Fraud Detection in the Agency**

There has been no fraud detected in any of the Commission's activities during 2017-18. The Commission and its administrative staff adhere to the financial controls of the Department of Planning, Transport and Infrastructure.

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

The payment of grants and administrative financial activities are supported by the Department of Planning, Transport and Infrastructure's financial management framework.

In addition, the Commission is required to submit an audited Statement of Payments to the Federal Minister for Local Government and Decentralisation under Section 15(b) of the Commonwealth *Local Government (Financial Assistance) Act 1995*.

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

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

The Commission did not receive any disclosures of public interest information under the *Whistle-blowers' Protection Act 1993* during 2017-18.

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

There was no Executive Employment within the Grants Commission during 2017-18.

### **Consultants and Contractors**

The Commission engaged the services of Rex Mooney (RMBAS Local Government Finance Specialist) for consulting services during 2017-18. The value of these services is under \$5,000.

The Commission also outsourced updates to its Local Government Roads Geographical Information System (GIS) to the Department of Primary Industries and Resources SA (PIRSA) during 2017-18. The value of these services in relation to the 2017-18 updates is under \$25,000.

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

The Commission's 2017-18 Audited Financial Statements are attached – See *Appendix VIII*. Other than information presented in the Commission's Audited Financial Statements, there is no further financial information to report for 2017-18.

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

During 2017-18 the *Local Government (Boundary Adjustment) Amendment Act 2017* was passed by the State Parliament.

This Act appointed the South Australian Local Government Grants Commission as the body responsible for the assessment of proposals, oversee investigations and make recommendations to the Minister.

The *Local Government (Boundary Adjustment) Amendment Act 2017* will come into operation on 1 January 2019.

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

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

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

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

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

The Commission allocated the grants for 2018-19 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 for 2018-19 has increased in line with estimated inflation and the underlying growth in Commonwealth General Purpose grants to the States. Notwithstanding the increasing pool of funding at the National level, the per capita allocation of funding to the States will continue to see South Australia receive a reducing share of the pool due to its declining share of the population. The reintroduction of the Supplementary Local Road Funding program for 2017-18 and 2018-19 as part of the 2017-18 Federal Budget will provide a funding boost to South Australia.

Entitlements for all States for 2017-18 and for 2018-19 are set out in Tables 1 and 2 below.

**TABLE 1 - Commonwealth General Purpose Financial Assistance for Local Government, State and Territory Entitlements 2017-18 and 2018-19**

State	2017-18					Allocation Actual (\$mill)
	Proportion (adjusted for actual) (%)	Original Allocation (Estimate) (\$mill)	Adjustment (\$mill)	Brought Fwd Pmt from 2018-19 (\$mill)	Allocation Actual (\$mill)	
New South Wales	32.02	524.99	0.16	271.98	525.15	
Victoria	25.25	415.74	(1.69)	219.47	414.05	
Queensland	20.05	328.80	(0.10)	170.51	328.70	
Western Australia	10.76	176.09	0.36	88.94	176.45	
<b>South Australia</b>	<b>7.10</b>	<b>115.77</b>	<b>0.61</b>	<b>59.33</b>	<b>116.39</b>	
Tasmania	2.14	34.95	0.21	17.95	35.17	
Northern Territory	1.02	16.56	0.21	8.42	16.77	
Australian Capital Territory	1.66	27.12	0.03	14.20	27.15	
<b>TOTAL</b>	<b>100.00</b>	<b>1,640.02</b>	<b>(0.21)</b>	<b>850.81</b>	<b>1,639.81</b>	

State	2018-19					\$ Change 2017-18 to 2018-19 (\$)	% Change 2017-18 to 2018-19 (%)
	Proportion (based on estimates) (%)	Allocation (Estimate) (\$mill)	Brought Fwd Pmt Paid in 2017-18 (\$mill)	Allocation Plus Brought Fwd Pmt (\$mill)	Cash Payment (\$mill)		
New South Wales	31.96	272.08	271.98	544.06	272.23	18,913,197	3.60
Victoria	25.79	219.51	219.47	438.98	217.82	24,930,394	6.02
Queensland	20.04	170.67	170.51	341.18	170.57	12,477,572	3.80
Western Australia	10.45	88.85	88.94	177.79	89.21	1,346,024	0.76
<b>South Australia</b>	<b>6.98</b>	<b>59.40</b>	<b>59.33</b>	<b>118.73</b>	<b>60.01</b>	<b>2,346,645</b>	<b>2.02</b>
Tasmania	2.11	18.04	17.95	35.99	18.25	822,797	2.34
Northern Territory	0.99	8.48	8.42	16.90	8.69	134,186	0.80
Australian Capital Territory	1.67	14.30	14.20	28.50	14.33	1,349,908	4.97
<b>TOTAL</b>	<b>100.00</b>	<b>851.32</b>	<b>850.81</b>	<b>1,702.13</b>	<b>851.10</b>	<b>62,320,723.00</b>	<b>3.80</b>

**TABLE 2 - Commonwealth Identified Local Road Grants for Local Government, State and Territory Entitlements 2017-18 and 2018-19**

State	2017-18					Allocation Actual (\$mill)
	Proportion (adjusted for actual) (%)	Original Allocation (Estimate) (\$mill)	Adjustment (\$mill)	Brought Fwd Pmt from 2018-19 (\$mill)	Allocation Actual (\$mill)	
New South Wales	29.01	211.14	(0.03)	109.53	211.11	
Victoria	20.62	150.03	(0.02)	77.83	150.01	
Queensland	18.74	136.35	(0.02)	70.74	136.33	
Western Australia	15.29	111.27	(0.01)	57.72	111.26	
<b>South Australia</b>	<b>5.50</b>	<b>39.99</b>	<b>(0.01)</b>	<b>20.75</b>	<b>39.99</b>	
Tasmania	5.30	38.56	(0.01)	20.01	38.56	
Northern Territory	2.34	17.05	(0.00)	8.84	17.04	
Australian Capital Territory	3.21	23.33	(0.00)	12.11	23.33	
<b>TOTAL</b>	<b>100.00</b>	<b>727.73</b>	<b>(0.09)</b>	<b>377.53</b>	<b>727.63</b>	

State	2018-19					\$ Change 2017-18 to 2018-19 (\$)	% Change 2017-18 to 2018-19 (%)
	Proportion (based on estimates) (%)	Allocation (Estimate) (\$mill)	Brought Fwd Pmt Paid in 2017-18 (\$mill)	Allocation Plus Brought Fwd Pmt (\$mill)	Cash Payment (\$mill)		
New South Wales	29.01	109.60	109.53	219.13	109.57	8,023,158	3.80
Victoria	20.62	77.88	77.83	155.71	77.86	5,701,160	3.80
Queensland	18.74	70.78	70.74	141.51	70.76	5,181,260	3.80
Western Australia	15.29	57.76	57.72	115.48	57.74	4,228,265	3.80
<b>South Australia</b>	<b>5.50</b>	<b>20.76</b>	<b>20.75</b>	<b>41.51</b>	<b>20.75</b>	<b>1,519,751</b>	<b>3.80</b>
Tasmania	5.30	20.02	20.01	40.02	20.01	1,465,441	3.80
Northern Territory	2.34	8.85	8.84	17.69	8.85	647,780	3.80
Australian Capital Territory	3.21	12.11	12.11	24.22	12.11	886,724	3.80
<b>TOTAL</b>	<b>100.00</b>	<b>377.75</b>	<b>377.53</b>	<b>755.29</b>	<b>377.66</b>	<b>27,653,539</b>	<b>3.80</b>

### South Australian Local Government Grants Commission Act 1992

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

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

### Eligible Bodies

For the 2018-19 allocations there were 68 councils, the Outback Communities Authority and five Aboriginal communities eligible for grants.

## National Principles, General Purpose & Road Grants

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

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

### General Purpose National Principles

**(i) Horizontal Equalisation**

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

**(ii) Effort Neutrality**

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

**(iii) Minimum Grant**

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

**(iv) Other Grant Support**

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

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

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

**(vi) Council Amalgamation**

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

### Identified Road Component National Principle

**(vii) Identified Road Component**

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

## **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 2017-18. In accordance with Section 9 of the Act an information statement is provided below.

## **Statement Section 9**

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

Refer to Section A of this report.

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

The Commission's primary function is to make recommendations to the Minister for Transport, Infrastructure and Local Government 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 3 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 3
	77 Grenfell Street
	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.

## CHAPTER 2 - 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 VIII*.

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, (\$20.67 for 2018-19), 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 2018-19 grants, the Commission constrained changes to grants between minus 2% and positive 14%. 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 component revenue grants.

The Commission estimates each council's component revenue grant by applying the State average rate in the dollar to the difference between the council's improved capital values per capita multiplied by the  $RRI_c$  and those for the State as a whole, and multiplying this back by the council's population. The State average rate in the dollar is the ratio of total rate revenue to total improved capital values of rateable property. The result shows how much less (or more) rate revenue a council would be able to raise than the average for the State as a whole if it applied the State average rate in the dollar to the capital values of its rateable properties. This calculation is repeated for each of five land use categories, namely;

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

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

### Subsidies

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

### Component Expenditure Grants

Component expenditure grants 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.

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

1 Councils' expenditures reported in the Commission's Supplementary returns.

2 Includes both construction and maintenance activities.

3 The Commission has also decided, for these functions, to use CRI's based on the results of a previous consultancy by BC Tonkin and Associates.

- 4 Urban properties = sum [residential properties, commercial properties, industrial properties, exempt residential properties, exempt commercial properties, exempt industrial properties].
- 5 The Commission has for these functions, used CRI's based on the results of a consultancy led by Emcorp and Associates, in association with PPK Environment and Infrastructure. Tonkin Consulting has since refined the results. For a breakdown of each cost relativity indices by type of road, refer *Appendix V*.
- 6 Comprises Commission determined relative expenditure needs with respect to the following:
  - Non-Resident Use / Tourism / Regional Centre – assessed to be high, medium or low;
  - 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 below.-

#### Summary of figures by function

Total Population = 1723548

Function	Standard in Dollars	Unit of Measure per Capita	Total Units of Measure	Unit of Measure
<b>Expenditure Functions</b>				
Waste Management	166.92	0.47801	814,184	No of residential, rural and commercial (shop) properties
Aged Care Services	151.72	0.17713	301,703	Population aged more than 65
Services To Families And Children	73.12	0.17761	302,525	Population aged 0 to 14
Health Inspection	393.88	0.01265	21,545	Establishments to inspect
Libraries	63.98	1.00829	1,717,412	Estimated Resident Population
Sport, Recreation & Culture	276.53	0.76270	1,299,096	Population aged 5 to 49
Sealed Roads - Built Up	12,691.97	0.00639	10,879	Kilometres of sealed builtup
Sealed Roads - Non Built Up	12,691.97	0.00460	7,843	Kilometres of sealed non-builtup
Sealed Roads - Footpaths etc	17,454.89	0.00639	10,879	Kilometres of sealed builtup
Unsealed Roads - Built Up	1,847.71	0.00041	694	Kilometres of formed and surfaced, and natural surface formed builtup road
Unsealed Roads - Non Built Up	1,847.71	0.02761	47,028	Kilometres of formed and surfaced, and natural surface formed non-builtup road
Roads - Unformed	218.73	0.00500	8,517	Kilometres of natural surfaced unformed road
Stormwater Drainage - Maintenance	91.01	0.46213	787,137	No of urban, industrial and commercial properties including exempt
Community Support	51.79	0.99972	1,702,817	3yr average population * SEIFA Advantage Disadvantage CRI
Jetties and Wharves	24,213.58	0.00005	78	Number of jetties and wharves
Public Order and Safety	31.31	0.55097	938,464	Total no of properties
Planning And Building Control	1,941.78	0.02570	43,771	No of new developments and additions
Bridges	11,222.85	0.00048	825	Number of bridges
Environment & Coastal Protection	22.06	1.00829	1,717,412	Estimated Resident Population
Other Special Needs	1.00	18.99489	32,353,800	Total of dollars attributed
<b>Revenue Functions</b>				
Rates - residential	0.0037	158,815	270,211,697,243	Valuation of residential
- commercial	0.0067	21,244	36,184,871,714	Valuation of commercial
- industrial	0.0075	3,505	5,969,331,501	Valuation of industrial
- rural	0.0036	20,999	35,227,338,972	Valuation of rural
- other	0.0045	6,633	11,298,386,343	Valuation of other
Subsidies	1.00	30.01371	51,122,037	The total of the subsidies

## Calculated standards by function

The Commission uses the table on the previous page 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 *CR/s* 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, (\$20.67 for 2018-19), 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 2018-19 grants, the Commission constrained changes between minus 2% and positive 14%.

## 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 Panel 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 2018-19 per capita general purpose grant is \$510.33.

General purpose grants for the Outback Communities Authority increased by 2.02 percent for 2018-19, reflecting the increase in the pool of General Purpose Grants for South Australia.

## **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 2018-19 the per capita grant varied from \$205.85 for Gerard Community to \$1,600.51 for Maralinga Tjarutja Community.

General purpose grants for the Aboriginal communities increased by 2.02 percent, reflecting the increase in the pool of General Purpose Grants for South Australia.

## **CHAPTER 3 - COMMISSION ACTIVITIES 2017-18**

### **Grant Allocation**

The total 2017-18 allocation of \$156,373,660 was increased following the end of the financial year by \$606,969 after adjustments for rounding by the Australian Government to account for final population estimates and changes in the Consumer Price Index. The rounding increase will be passed on to councils in the four quarterly instalments during 2018-19. The actual allocation figure, which includes the adjusted 2017-18 allocations, is shown in *Chapter 4*.

For 2018-19, the Commission made recommendations on the distribution of \$160,240,056, including both General Purpose Grants and Identified Local Road Grants. A full list of allocations by council is contained in *Chapter 4*.

The General Purpose Grants for 2018-19 were \$118,732,023, an increase of 2.02 percent over 2017-18. The Identified Local Road Grants were \$41,508,033, an increase of 3.8 percent over the 2017-18 local road component.

The Supplementary Local Road Funding program, reinstated by the Australian Government as part of the 2017-18 Federal Budget for 2017-18 and 2018-19, will provide \$20 million for 2018-19.

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

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

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

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

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

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

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

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

The revisions to the road length data (as at 30 June 2017) were used in the calculation of the 2018-19 financial assistance grants. An updated list of road lengths can be found in *Appendix V - Units of Measure - Expenditure*.

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

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

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

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

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

Following further research, the circulation of a summary of findings paper and a consultation workshop, the review concluded in early 2004, with the 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 Emeritus Professor Cliff Walsh to continue the work of the previous year and make a final recommendation to the Commission.

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

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

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

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

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

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

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

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 was updated from the proportion of the council's population aged between 5 and 49 years to the proportion of council's population aged between 5 and 64 years.

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

Other data maintained by the Commission includes:

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

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

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

- Councils;
- The Local Government Association;
- The Government of South Australia;
- The Commonwealth Department of Infrastructure 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. Electronic copies of each Councils GIS are provided to Councils free of charge each year. GIS data is also available in other formats, e.g. MapInfo.

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

## 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 2017-18, the Commission continued with its visiting program, attending 36 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.

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**Visited in July 2017**

City of Adelaide  
 City of Burnside  
 Campbelltown City Council  
 City of Charles Sturt  
 Holdfast Bay City Council  
 Corporation of the City of Marion  
 City of Mitcham  
 City of Norwood Payneham & St Peters  
 City of Onkaparinga  
 City of Playford  
 City of Port Adelaide Enfield  
 City of Prospect  
 City of Salisbury  
 City of Tea Tree Gully

**Visited in July 2017**

Corporation of the City of Unley  
 Corporation of the Town of Walkerville  
 City of West Torrens

**Visited in November 2017**

Adelaide Hills Council  
 District Council of Ceduna  
 District Council of Franklin Harbour  
 District Council of Kimba  
 Outback Communities Authority  
 Port Augusta City Council  
 District Council of Streaky Bay  
 City of Whyalla  
 Wudinna District Council

**Visited in February 2018**

Adelaide Plains Council  
 Clare and Gilbert Valleys Council  
 Town of Gawler  
 Regional Council of Goyder  
 Northern Areas Council  
 Port Pirie Regional Council

**Visited in April 2018**

District Council of Barunga West  
 Copper Coast Council  
 Wakefield Regional Council  
 Yorke Peninsula Council

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

Under Section 20 of the State Act, the Minister for Transport, Infrastructure and Local Government may refer matters to the Commission for report. The Minister made no references to the Commission under this section during 2017-18.

### **The Year Ahead**

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

Collection and dissemination of South Australia's Local Government Finance Statistics will again be a major focus in 2018-19. 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 2017-18, maintaining a number of strategies to improve its data collection. This will continue in 2018-19.

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.

The Commission will also investigate options to incorporate its GIS with the local road network maintained by the Department of Planning, Transport and Infrastructure.

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 2018-19 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 2018-19. These sessions provide a unique opportunity to discuss the grant allocation process. The Commission values the chance to brief councils on methodology details, and to hear about specific issues facing Council and the Community.

## CHAPTER 4 – GRANT ALLOCATIONS

### Estimated Grant Allocations for 2018-19

Local Government Authority	Population as at 30-Jun-17	General Purpose Grant (\$)	Identified Road Grant (\$)	Special Local Road Grant (\$)	Total Estimated Grant (\$)
Adelaide	23,916	494,344	261,583		755,927
Adelaide Hills	39,550	817,499	716,160		1,533,659
Adelaide Plains	8,994	1,143,944	269,704		1,413,647
Alexandrina	26,775	802,398	618,362		1,420,760
Barossa	24,544	715,640	494,642		1,210,282
Barunga West	2,578	336,005	201,767		537,772
Berri Barmera	10,838	2,320,256	222,900	497,000	3,040,156
Burnside	45,690	944,412	496,805		1,441,217
Campbelltown	51,322	1,060,826	549,690		1,610,516
Ceduna	3,542	1,976,606	458,082		2,434,688
Charles Sturt	115,688	2,391,271	1,244,440		3,635,711
Clare & Gilbert Valleys	9,311	732,560	404,695		1,137,255
Cleve	1,811	1,032,714	410,852		1,443,566
Cooper Pedy	1,861	794,051	48,121		842,172
Coorong	5,518	2,326,027	685,844		3,011,871
Copper Coast	14,621	1,569,330	338,052		1,907,382
Elliston	1,064	705,365	426,575	459,000	1,590,940
Flinders Ranges	1,665	1,161,892	311,588		1,473,480
Franklin Harbour	1,322	998,927	226,793		1,225,720
Gawler	23,547	1,392,229	331,255		1,723,483
Goyder	4,227	2,566,922	701,636	93,000	3,361,558
Grant	8,442	1,288,084	349,574	200,000	1,837,658
Holdfast Bay	36,520	754,868	381,831		1,136,699
Kangaroo Island	4,890	1,614,916	415,480		2,030,398
Karoonda East Murray	1,125	1,163,889	353,765		1,517,654
Kimba	1,068	968,740	314,306		1,283,046
Kingston	2,440	521,121	264,482		785,603
Light	15,187	386,963	434,027		820,990
Lower Eyre Peninsula	5,726	460,419	436,459		896,878
Loxton Waikerie	11,766	3,464,262	761,421		4,225,683
Marion	91,446	1,890,189	999,149		2,889,338
Mid Murray	8,844	3,149,374	679,628	506,000	4,335,006
Mitcham	66,693	1,378,544	784,144		2,162,688
Mount Barker	34,643	773,846	608,562		1,382,409
Mount Gambier	27,012	2,675,675	414,649		3,090,324
Mount Remarkable	2,907	1,597,235	380,721		1,977,956

Local Government Authority	Population as at 30-Jun-17	General	Identified Road Grant (\$)	Special Local Road Grant (\$)	Total Estimated Grant (\$)
		Purpose Grant (\$)			
Murray Bridge	21,770	3,390,931	501,637		3,892,574
Naracoorte Lucindale	8,628	2,677,675	503,460		3,181,144
Northern Areas	4,585	1,365,903	417,572		1,783,475
Norwood, Payneham & St Peters	36,561	755,716	371,022		1,126,738
Onkaparinga	170,127	5,383,550	2,438,730	1,507,500	9,329,772
Ororoo Carrieton	903	934,698	265,751	499,000	1,699,449
Peterborough	1,703	1,280,693	254,095		1,534,788
Playford	92,191	9,549,061	1,344,350		10,893,409
Port Adelaide Enfield	124,731	2,578,190	1,403,162	175,000	4,156,352
Port Augusta	14,284	2,693,884	293,834		2,987,717
Port Lincoln	14,650	1,335,946	229,498		1,565,444
Port Pirie	17,754	3,977,651	485,039		4,462,690
Prospect	21,126	436,674	208,999		645,673
Renmark Paringa	9,825	2,444,901	230,822	977,000	3,652,723
Robe	1,414	29,227	111,801	131,000	272,028
Roxby Downs	3,979	127,758	66,332		194,090
Salisbury	142,024	6,694,693	1,640,317	302,000	8,636,998
Southern Mallee	2,063	1,103,388	416,985	218,000	1,738,373
Streaky Bay	2,195	1,414,344	480,920		1,895,264
Tatiara	6,826	2,917,549	580,400	386,500	3,884,458
Tea Tree Gully	99,769	2,062,225	1,158,904		3,221,129
Tumby Bay	2,685	514,787	273,069		787,856
Unley	39,026	806,667	389,742		1,196,409
Victor Harbor	15,180	313,771	280,234		594,005
Wakefield	6,924	1,878,138	549,978		2,428,116
Walkerville	7,908	163,458	80,744		244,202
Wattle Range	11,981	2,532,187	560,377	275,000	3,367,564
West Torrens	59,553	1,230,961	632,285		1,863,246
Whyalla	21,997	4,002,504	394,857		4,397,358
Wudinna	1,298	1,183,706	412,318		1,596,024
Yankalilla	5,373	138,241	167,204		305,445
Yorke Peninsula	11,286	1,388,653	841,606		2,230,256
Outback Communities Authority	2,965	1,513,138			1,513,138
Anangu Pitjantjatjara	2,526	1,197,293	156,010		1,353,303
Gerard Community Council	227	46,727	20,785		67,512
Maralinga Tjarutja	61	97,631	55,816		153,447
Nipapanha Community Inc	102	29,974	20,695		50,669
Yalata Community Council	255	168,187	44,939		213,126
<b>STATE TOTAL</b>	<b>1,723,548</b>	<b>118,732,023</b>	<b>35,282,033</b>	<b>6,226,000</b>	<b>160,240,056</b>

## Final Grant Allocations for 2017-18

Local Government Authority	2017-18 Actual General Purpose Grant \$	2017-18 Actual Road Grant \$	2017-18 Special Road Grant \$	2017-18 Total Actual Grant \$
Adelaide	482,632	252,132		734,764
Adelaide Hills	817,765	705,248		1,523,013
Adelaide Plains	1,133,560	255,175		1,388,734
Alexandrina	729,453	585,176		1,314,629
Barossa	627,754	466,183		1,093,937
Barunga West	342,862	192,597		535,460
Berri Barmera	2,367,609	210,270		2,577,878
Burnside	926,575	480,097		1,406,672
Campbelltown	1,062,402	537,228		1,599,630
Ceduna	2,016,945	443,995		2,460,940
Charles Sturt	2,343,711	1,200,621	40,000	3,584,332
Clare & Gilbert Valleys	642,596	388,167	125,000	1,155,763
Cleve	1,053,790	395,018		1,448,808
Cooper Pedy	810,256	45,673		855,929
Coorong	2,373,497	662,532		3,036,029
Copper Coast	1,426,663	323,883		1,750,547
Elliston	719,760	410,177	882,000	2,011,937
Flinders Ranges	1,185,604	298,602		1,484,206
Franklin Harbour	1,019,314	216,824		1,236,137
Gawler	1,297,659	317,297		1,614,956
Goyder	2,619,309	675,646		3,294,955
Grant	1,129,898	337,170		1,467,069
Holdfast Bay	763,872	375,476		1,139,348
Kangaroo Island	1,604,717	397,873		2,002,590
Karoonda East Murray	1,187,642	338,883		1,526,525
Kimba	988,511	302,812		1,291,322
Kingston	531,756	251,482		783,238
Light	339,441	419,284		758,725
Lower Eyre Peninsula	466,484	412,137		878,620
Loxton Waikerie	3,534,961	730,317		4,265,278
Marion	1,834,817	960,042		2,794,859
Mid Murray	3,046,186	647,985	1,163,000	4,857,170
Mitcham	1,355,293	758,982	275,000	2,389,275
Mount Barker	725,880	572,592		1,298,472
Mount Gambier	2,432,432	395,882		2,828,314
Mount Remarkable	1,629,832	364,930		1,994,762

<b>Local Government Authority</b>	<b>2017-18 Actual General Purpose Grant \$</b>	<b>2017-18 Actual Road Grant \$</b>	<b>2017-18 Special Road Grant \$</b>	<b>2017-18 Total Actual Grant \$</b>
Murray Bridge	3,403,566	479,799		3,883,365
Naracoorte Lucindale	2,510,305	483,214		2,993,519
Northern Areas	1,393,778	400,935		1,794,714
Norwood, Payneham & St Peters	766,325	365,458		1,131,783
Onkaparinga	5,213,993	2,358,015		7,572,008
Orroroo Carrieton	953,774	254,955	415,000	1,623,729
Peterborough	1,306,830	244,576		1,551,406
Playford	9,279,943	1,286,887		10,566,830
Port Adelaide Enfield	2,556,384	1,362,266	175,000	4,093,649
Port Augusta	2,647,615	288,482		2,936,097
Port Lincoln	1,214,496	229,322		1,443,818
Port Pirie	4,058,827	465,385	400,000	4,924,212
Prospect	437,567	204,484		642,050
Renmark Paringa	2,494,797	214,638		2,709,435
Robe	29,103	108,362	245,000	382,465
Roxby Downs	116,144	78,972		195,116
Salisbury	6,353,717	1,578,654		7,932,370
Southern Mallee	1,125,906	401,964		1,527,871
Streaky Bay	1,443,208	463,751		1,906,959
Tatiara	2,678,958	557,515	275,000	3,511,474
Tea Tree Gully	2,025,724	1,120,792		3,146,516
Tumby Bay	525,293	262,991		788,284
Unley	807,649	381,099		1,188,749
Victor Harbor	313,450	275,765	474,000	1,063,214
Wakefield	1,916,468	530,098		2,446,565
Walkerville	157,246	77,140		234,386
Wattle Range	2,221,217	533,180	130,000	2,884,397
West Torrens	1,212,189	612,153	1,400,000	3,224,342
Whyalla	3,906,443	393,692		4,300,134
Wudinna	1,207,863	396,607		1,604,470
Yankalilla	125,674	153,955		279,629
Yorke Peninsula	1,416,988	808,470		2,225,458
Outback Communities Authority	1,483,178			1,483,178
Anangu Pitjantjatjara Yankunytjatjara	1,173,586	150,294		1,323,880
Gerard Cty Council	45,802	20,024		65,826
Maralinga Tjarutja	95,698	53,771		149,469
Nipapanha Community Inc.	29,381	19,937		49,317
Yalata Community Inc.	164,857	43,292		208,150
<b>STATE TOTAL</b>	<b>116,385,378</b>	<b>33,989,282</b>	<b>5,999,000</b>	<b>156,373,660</b>

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

In 2017-18, the Grants Commission was not required to report any public complaints requested by the Ombudsman.

## APPENDIX I - Road Lengths by Council by Surface Type as at 30 June 2017

(Road length data includes laneways)

Council name	Sealed	Formed	Unformed	TOTAL
Adelaide	129	0	0	129
Adelaide Hills	614	388	7	1,010
Adelaide Plains	161	676	130	966
Alexandrina	558	792	26	1,376
Barossa	358	548	71	976
Barunga West	74	756	98	929
Berri Barmera	282	127	76	486
Burnside	235	5	0	240
Campbelltown	255	0	0	255
Ceduna	78	1380	257	1,715
Charles Sturt	582	1	0	583
Clare & Gilbert Valleys	243	1403	188	1,833
Cleve	114	1319	115	1,548
Cooper Pedy	30	128	263	421
Coorong	368	1520	1	1,889
Copper Coast	331	493	85	910
Elliston	44	967	136	1,148
Flinders Ranges	44	882	336	1,262
Franklin Harbour	81	666	37	784
Gawler	181	21	2	204
Goyder	170	2852	226	3,248
Grant	504	762	298	1,564
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	128	590	51	769
Light	182	1221	55	1,459
Lower Eyre Peninsula	146	1115	83	1,345
Loxton Waikerie	416	1689	199	2,304
Marion	475	0	0	475
Mid Murray	359	2063	976	3,398
Mitcham	405	5	1	411
Mount Barker	363	387	30	780
Mount Gambier	226	1	0	227
Mount Remarkable	110	1524	433	2,067

<b>Council name</b>	<b>Sealed</b>	<b>Formed</b>	<b>Unformed</b>	<b>TOTAL</b>
Murray Bridge	460	495	22	976
Naracoorte Lucindale	483	1098	37	1,618
Northern Areas	137	1792	274	2,203
Norwood, Payneham & St. Peter	173	0	0	173
Onkaparinga	1299	191	3	1,493
Orroroo Carrieton	59	872	697	1,628
Peterborough	40	805	386	1,231
Playford	744	86	6	836
Port Adelaide Enfield	687	4	0	691
Port Augusta	196	123	92	412
Port Lincoln	152	6	2	161
Port Pirie	320	1005	43	1,367
Prospect	91	0	0	91
Renmark Paringa	307	132	40	480
Robe	42	337	56	435
Roxby Downs	34	4	0	39
Salisbury	825	5	0	830
Southern Mallee	126	1062	144	1,332
Streaky Bay	100	1415	219	1,734
Tatiara	522	1185	229	1,936
Tea Tree Gully	581	10	6	597
Tumby Bay	60	960	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	548	1343	552	2,443
West Torrens	293	0	0	293
Whyalla	225	125	3	353
Wudinna	94	1271	322	1,686
Yankalilla	130	367	48	545
Yorke Peninsula	505	3148	238	3,891
<b>TOTAL</b>	<b>18,812</b>	<b>47,817</b>	<b>8,517</b>	<b>75,146</b>

## APPENDIX II – Cost Relativity Indices - 2018-19 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
Adelaide Plains	0.85	0.90	0.98	0.98	1.00	1.05	0.95
Alexandrina	0.91	0.98	1.01	1.03	1.04	1.00	0.91
Barossa	1.00	1.03	1.03	1.03	1.05	1.06	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	1.04	0.92
Burnside	1.14	0.96	0.99	0.93	0.90	0.97	0.96
Campbelltown	1.25	0.96	1.00	1.00	1.00	1.01	0.95
Ceduna	0.89	0.95	1.01	1.01	1.00	1.03	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
Cooper Pedy	0.90	0.94	0.98	0.98	1.00	1.14	0.84
Coorong	0.90	0.95	0.99	1.00	1.02	1.02	0.95
Copper Coast	0.87	0.92	0.98	0.98	1.00	1.05	0.92
Elliston	0.84	0.83	0.96	0.95	0.92	1.19	0.94
Flinders Ranges	0.87	1.04	0.97	0.94	0.92	1.03	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	0.97
Goyder	0.89	0.91	0.99	0.99	1.00	1.07	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	1.11	0.91
Karoonda East Murray	0.87	0.91	0.98	0.98	0.99	1.12	0.87
Kimba	0.87	0.93	0.98	0.99	1.00	1.01	0.92
Kingston	1.03	1.03	1.00	0.96	1.06	0.99	0.95
Light	0.85	0.94	0.98	0.99	1.02	1.02	0.97
Lower Eyre Peninsula	0.91	0.95	0.98	0.99	1.00	1.08	0.95
Loxton Waikerie	0.88	0.98	0.98	0.98	0.98	1.10	0.90
Marion	1.09	0.96	0.98	0.98	1.00	0.97	0.97
Mid Murray	1.05	1.08	1.09	1.03	1.02	1.13	0.88
Mitcham	1.12	0.99	0.94	0.98	1.01	0.98	0.96
Mount Barker	0.97	1.00	0.98	1.00	1.03	1.07	0.99
Mount Gambier	0.81	0.80	0.99	0.89	0.90	0.98	1.00
Mount Remarkable	0.89	0.93	0.99	0.99	0.99	1.05	0.87
Murray Bridge	0.86	1.01	1.00	1.01	1.03	1.02	0.97
Naracoorte Lucindale	0.97	1.12	1.03	1.07	1.18	1.02	0.95
Northern Areas	0.89	0.92	1.01	1.01	1.01	1.15	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	1.06	0.85
Peterborough	0.88	0.92	1.00	1.00	0.96	1.00	0.89
Playford	1.10	1.03	1.06	1.01	1.05	0.99	1.08
Port Adelaide Enfield	1.06	0.97	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	1.01	0.97
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	1.07	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	0.89	0.95	1.01	1.00	0.97	1.04	0.90
Streaky Bay	0.77	0.82	0.95	0.95	0.97	1.13	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	0.89	0.93	1.01	1.01	1.00	1.00	0.94
Unley	1.27	0.97	1.00	1.00	1.00	0.98	0.97
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	1.03	0.92
Walkerville	1.06	0.96	1.00	1.00	1.00	0.98	0.96
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	0.85	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	1.00	1.09	0.99	1.02	1.05	1.02	0.98
Yorke Peninsula	0.87	0.89	0.99	0.99	0.97	1.08	0.95



### APPENDIX III – Revenue relativity index – 2018-19 Financial Assistance Grants

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

## APPENDIX IV –Units of Measure by function – Revenue – 2018-19

Valuation per capita (incorporating the SEIFA index of Economic Resources) - Data sourced from Valuer General as at January each year (data from 2016, 2017 and 2018 averaged).

Unit of Measure:	Residential	Commercial	Industrial	Rural	Other
Adelaide	211,201	382,807	2,703	0	36,083
Adelaide Hills	185,608	6,698	937	49,880	6,751
Adelaide Plains	102,972	3,208	1,808	81,241	8,588
Alexandrina	183,964	7,600	1,832	64,124	12,576
Barossa	128,278	11,691	10,270	50,549	7,099
Barunga West	129,108	6,574	1,864	293,706	7,831
Berri Barmera	71,142	12,259	3,029	19,905	4,225
Burnside	334,133	22,412	256	115	7,677
Campbelltown	195,399	7,381	996	109	6,598
Ceduna	90,487	18,298	1,150	27,402	7,703
Charles Sturt	198,199	21,736	3,686	20	4,948
Clare & Gilbert Valleys	93,185	13,598	3,458	158,780	7,131
Cleve	75,440	14,329	1,053	227,050	5,395
Cooper Pedy	57,416	17,218	1,100	0	4,572
Coorong	61,656	6,596	717	177,375	8,115
Copper Coast	160,544	14,245	1,515	32,844	17,034
Elliston	109,228	12,451	1,190	228,302	17,229
Flinders Ranges	72,308	8,926	626	50,519	7,232
Franklin Harbour	119,295	12,722	1,109	64,932	11,776
Gawler	120,257	12,581	801	5,235	7,783
Goyder	53,197	5,110	787	201,561	4,701
Grant	72,952	2,774	3,141	160,212	5,728
Holdfast Bay	283,536	25,625	1,261	0	6,281
Kangaroo Island	137,955	16,852	1,765	127,281	29,695
Karoonda East Murray	32,399	7,496	2,571	199,035	5,108
Kimba	49,696	16,402	940	205,833	3,563
Kingston	147,657	10,685	1,367	259,003	23,643
Light	106,534	7,314	7,033	96,632	5,809
Lower Eyre Peninsula	137,145	7,393	1,331	191,354	20,323
Loxton Waikerie	74,081	7,521	2,357	63,313	4,050
Marion	173,528	19,021	1,829	73	3,976
Mid Murray	151,317	6,494	1,458	68,969	19,597
Mitcham	231,183	10,900	1,781	700	6,949
Mount Barker	141,912	14,512	2,188	35,322	9,547
Mount Gambier	90,416	18,207	4,457	761	4,723
Mount Remarkable	75,236	8,057	567	130,421	9,335
Murray Bridge	81,770	14,070	4,248	23,693	6,655
Naracoorte Lucindale	69,510	11,357	2,613	160,746	4,094
Northern Areas	64,980	9,059	1,142	231,699	7,251
Norwood, Payneham & St Peter	259,022	49,769	3,039	16	10,580
Onkaparinga	137,807	8,931	2,189	7,269	4,316
Orroroo Carrieton	51,633	6,775	603	159,212	2,269
Peterborough	44,312	6,842	866	39,321	2,616
Playford	77,991	11,056	1,880	10,483	4,128
Port Adelaide Enfield	144,519	24,254	14,486	11	6,945
Port Augusta	76,456	15,103	2,387	2,295	5,774
Port Lincoln	120,281	23,965	4,960	971	7,653
Port Pirie	72,169	11,466	2,545	27,899	3,819
Prospect	226,997	17,578	827	0	5,149
Renmark Paringa	77,163	10,944	2,739	38,659	3,547
Robe	389,198	35,616	6,185	249,341	44,678
Roxby Downs	97,350	11,442	1,606	0	3,545
Salisbury	109,264	14,369	4,675	582	3,580
Southern Mallee	32,271	9,952	990	173,521	2,285
Streaky Bay	103,963	13,527	1,388	92,995	22,278
Tatiara	52,191	9,247	3,872	180,552	3,375
Tea Tree Gully	154,824	12,560	1,214	895	2,961
Tumby Bay	122,797	13,208	1,314	229,998	13,328
Unley	297,318	30,615	717	1	7,098
Victor Harbor	195,604	15,663	1,052	21,047	14,369
Wakefield	60,950	8,997	1,630	193,352	6,250
Walkerville	362,969	19,269	219	0	11,953
Wattle Range	71,362	7,676	6,489	152,986	6,042
West Torrens	183,091	32,349	7,466	19	5,935
Whyalla	72,555	10,382	1,592	465	2,484
Wudinna	45,543	17,130	726	154,196	2,256
Yankalilla	240,235	10,586	899	99,373	27,433
Yorke Peninsula	203,625	10,878	1,363	256,673	21,216
<b>State</b>	<b>158,815</b>	<b>21,244</b>	<b>3,505</b>	<b>20,999</b>	<b>6,633</b>

## APPENDIX V – Units of Measure by function – Expenditure - 2018-19

Data sourced from Councils and the Australian Bureau of Statistics as at 30 June 2017.

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	13,895	3,049	1,351	1,699	23,916	19,943
Adelaide Hills	16,289	6,804	7,568	1,214	39,550	30,978
Adelaide Plains	4,252	1,152	1,745	237	8,994	7,183
Alexandrina	16,227	7,171	4,169	385	26,775	17,557
Barossa	11,328	4,545	4,489	446	24,544	17,806
Barunga West	2,461	819	289	66	2,578	1,564
Berri Barmera	5,566	2,200	1,947	223	10,838	7,758
Burnside	19,765	9,601	7,784	408	45,690	33,637
Campbelltown	22,138	10,416	8,570	420	51,322	38,428
Ceduna	1,939	578	772	43	3,542	2,802
Charles Sturt	53,020	21,106	18,049	1,159	115,688	87,362
Clare & Gilbert Valleys	5,982	1,958	1,677	360	9,311	6,689
Cleve	1,302	328	386	24	1,811	1,329
Coober Pedy	1,313	375	302	36	1,861	1,315
Coorong	3,626	1,197	1,026	127	5,518	3,984
Copper Coast	9,770	3,919	2,270	172	14,621	9,740
Elliston	975	186	220	20	1,064	804
Flinders Ranges	1,446	349	280	45	1,665	1,170
Franklin Harbour	965	326	201	12	1,322	867
Gawler	10,213	4,505	4,141	384	23,547	17,219
Goyder	3,976	911	740	59	4,227	3,091
Grant	4,946	1,249	1,628	97	8,442	6,651
Holdfast Bay	19,207	8,559	5,028	400	36,520	26,843
Kangaroo Island	3,909	1,055	805	205	4,890	3,390
Karoonda East Murray	912	267	200	27	1,125	744
Kimba	788	221	264	30	1,068	758
Kingston	2,038	637	376	33	2,440	1,624
Light	6,913	1,795	3,353	282	15,187	12,284
Lower Eyre Peninsula	3,042	763	1,075	34	5,726	4,223
Loxton Waikerie	6,819	2,584	2,100	242	11,766	8,262
Marion	40,683	15,205	14,830	622	91,446	69,360
Mid Murray	8,196	2,039	1,122	233	8,844	6,078
Mitcham	27,279	12,550	11,860	570	66,693	50,206
Mount Barker	14,333	4,963	6,854	801	34,643	26,238
Mount Gambier	12,843	4,779	5,351	421	27,012	19,997
Mount Remarkable	2,560	722	404	78	2,907	1,969
Murray Bridge	10,496	4,051	3,796	225	21,770	15,996
Naracoorte Lucindale	5,534	1,520	1,652	110	8,628	6,409
Northern Areas	3,692	1,021	829	60	4,585	3,194
Norwood, Payneham & St Peters	17,825	7,051	5,363	649	36,561	28,262
Onkaparinga	73,449	28,399	32,200	1,455	170,127	130,257
Orroroo Carrieton	1,175	237	167	32	903	595
Peterborough	1,521	452	231	47	1,703	1,165
Playford	37,302	10,583	21,008	523	92,191	71,472
Port Adelaide Enfield	55,884	18,729	21,192	1,301	124,731	97,726
Port Augusta	6,789	2,271	2,802	198	14,284	11,196
Port Lincoln	6,954	2,732	2,973	243	14,650	11,108
Port Pirie	9,227	3,616	3,236	211	17,754	12,928
Prospect	9,339	2,849	3,626	239	21,126	17,173
Renmark Paringa	4,829	1,919	1,646	164	9,825	6,971
Robe	1,896	351	204	24	1,414	1,010
Roxby Downs	1,855	59	1,250	46	3,979	4,104
Salisbury	55,906	19,245	27,966	1,232	142,024	110,974
Southern Mallee	1,475	437	359	39	2,063	1,495
Streaky Bay	1,663	374	461	31	2,195	1,717
Tatiara	4,085	1,198	1,291	176	6,826	5,071
Tea Tree Gully	40,422	17,458	17,714	810	99,769	75,966
Tumby Bay	1,968	742	439	31	2,685	1,781
Unley	17,620	7,338	6,288	541	39,026	30,034
Victor Harbor	9,279	5,735	2,054	224	15,180	8,842
Wakefield	4,786	1,305	1,454	115	6,924	5,088
Walkerville	3,687	1,669	1,182	67	7,908	5,758
Wattle Range	8,089	2,357	2,168	76	11,981	8,534
West Torrens	27,977	10,374	8,745	627	59,553	45,620
Whyalla	11,315	3,695	4,433	199	21,997	17,294
Wudinna	933	199	283	22	1,298	999
Yankalilla	4,420	1,382	716	82	5,373	3,362
Yorke Peninsula	11,875	3,474	1,571	133	11,286	7,139
<b>Total</b>	<b>814,184</b>	<b>301,703</b>	<b>302,525</b>	<b>21,545</b>	<b>1,717,412</b>	<b>1,299,096</b>

Function:	Sealed Built Up Roads	Sealed Non Built Up Roads	Sealed Built-Up Roads (Footpaths, kerbing, street lighting etc)	Unsealed Built Up Roads	Unsealed Non Built Up Roads	Unformed Roads
Unit of Measure:	Sealed Built Up Kms	Sealed Non Built Up Kms	Sealed Built Up Kms	Unsealed Built Up Kms	Unsealed Non Built Up Kms	Unformed Kms
Adelaide	124	0	124	0	0	0
Adelaide Hills	213	399	213	3	384	7
Adelaide Plains	91	70	91	35	641	130
Alexandrina	254	302	254	19	773	26
Barossa	154	203	154	10	538	71
Barunga West	35	39	35	7	750	98
Berri Barmera	72	208	72	1	114	76
Burnside	229	0	229	0	5	0
Campbelltown	255	0	255	0	0	0
Ceduna	43	35	43	4	1,377	257
Charles Sturt	579	0	579	1	0	0
Clare & Gilbert Valleys	78	165	78	12	1,391	188
Cleve	21	93	21	8	1,311	115
Cooper Pedy	27	3	27	27	101	263
Coorong	55	314	55	14	1,505	1
Copper Coast	249	82	249	42	451	85
Elliston	22	22	22	8	960	136
Flinders Ranges	24	20	24	8	874	336
Franklin Harbour	20	62	20	0	666	37
Gawler	150	30	150	2	16	2
Goyder	67	103	67	33	2,819	226
Grant	30	474	30	2	760	298
Holdfast Bay	172	0	172	0	0	0
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	39	89	39	4	585	51
Light	82	100	82	19	1,201	55
Lower Eyre Peninsula	47	99	47	14	1,101	83
Loxton Waikerie	70	346	70	16	1,674	199
Marion	474	0	474	0	0	0
Mid Murray	80	277	80	28	2,035	976
Mitcham	385	17	385	0	0	1
Mount Barker	195	167	195	9	378	30
Mount Gambier	212	14	212	0	1	-0
Mount Remarkable	28	83	28	14	1,510	433
Murray Bridge	148	311	148	6	488	22
Naracoorte Lucindale	72	410	72	5	1,093	37
Northern Areas	64	73	64	31	1,761	274
Norwood, Payneham & St Peters	160	0	160	0	0	0
Onkaparinga	1,043	247	1,043	6	185	3
Orroroo Carrieton	19	41	19	7	865	697
Peterborough	31	8	31	7	799	386
Playford	488	252	488	1	85	6
Port Adelaide Enfield	684	0	684	4	0	0
Port Augusta	143	53	143	26	98	92
Port Lincoln	145	7	145	3	3	2
Port Pirie	187	133	187	19	985	43
Prospect	87	0	87	0	0	0
Renmark Paringa	50	257	50	9	124	40
Robe	29	13	29	2	336	56
Roxby Downs	29	6	29	0	4	0
Salisbury	800	23	800	2	3	0
Southern Mallee	25	101	25	7	1,055	144
Streaky Bay	44	56	44	10	1,405	219
Tatiara	83	439	83	10	1,175	229
Tea Tree Gully	562	17	562	2	8	6
Tumby Bay	32	28	32	4	956	90
Unley	165	0	165	0	0	0
Victor Harbor	140	115	140	10	133	2
Wakefield	72	134	72	10	2,384	86
Walkerville	35	0	35	0	0	0
Wattle Range	148	398	148	30	1,310	552
West Torrens	290	0	290	0	0	0
Whyalla	202	20	202	5	52	3
Wudinna	18	76	18	15	1,256	322
Yankalilla	54	76	54	3	364	48
Yorke Peninsula	181	324	181	51	3,097	238
<b>Total</b>	<b>10,879</b>	<b>7,843</b>	<b>10,879</b>	<b>694</b>	<b>47,028</b>	<b>8,517</b>

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	22,639	22,748	0	24,505	1,232	11	23,916
Adelaide Hills	13,640	35,795	0	18,316	1,047	24	39,550
Adelaide Plains	2,942	8,859	0	5,098	399	4	8,994
Alexandrina	13,598	25,777	3	19,296	1,122	36	26,775
Barossa	9,655	22,912	0	13,184	778	62	24,544
Barunga West	1,627	2,577	0	2,982	101	0	2,578
Berri Barmera	4,899	11,288	4	6,675	174	0	10,838
Burnside	20,381	40,678	0	21,100	1,270	1	45,690
Campbelltown	22,514	50,040	0	23,773	1,315	30	51,322
Ceduna	1,626	3,753	3	2,698	148	0	3,542
Charles Sturt	55,375	114,268	0	57,894	3,331	6	115,688
Clare & Gilbert Valleys	3,827	8,946	0	7,387	295	29	9,311
Cleve	784	1,749	1	1,788	41	2	1,811
Coober Pedy	1,399	2,002	0	2,008	29	0	1,861
Coorong	2,291	5,795	3	5,115	192	0	5,518
Copper Coast	9,370	15,237	1	12,601	539	0	14,621
Elliston	607	1,062	1	1,574	25	0	1,064
Flinders Ranges	846	1,690	0	2,156	41	0	1,665
Franklin Harbour	749	1,270	1	1,309	44	1	1,322
Gawler	10,190	23,708	0	11,497	728	9	23,547
Goyder	1,719	4,370	0	5,008	99	10	4,227
Grant	2,527	8,011	0	5,902	251	1	8,442
Holdfast Bay	20,047	34,670	2	20,768	1,158	4	36,520
Kangaroo Island	2,785	4,760	1	5,974	194	25	4,890
Karoonda East Murray	328	1,072	0	1,489	25	0	1,125
Kimba	420	1,035	0	1,073	22	0	1,068
Kingston	1,424	2,408	1	2,877	72	0	2,440
Light	5,047	14,329	0	8,156	564	19	15,187
Lower Eyre Peninsula	2,215	5,084	3	4,406	220	2	5,726
Loxton Waikerie	5,039	11,882	1	8,905	285	0	11,766
Marion	41,728	88,135	0	43,370	2,438	3	91,446
Mid Murray	5,768	8,943	8	11,351	459	16	8,844
Mitcham	28,026	60,482	0	29,370	1,458	21	66,693
Mount Barker	12,829	31,630	0	16,721	1,288	173	34,643
Mount Gambier	13,624	28,049	0	14,687	426	1	27,012
Mount Remarkable	1,338	2,824	1	3,651	102	4	2,907
Murray Bridge	9,206	23,170	10	12,294	434	6	21,770
Naracoorte Lucindale	3,251	8,492	0	6,694	189	37	8,628
Northern Areas	1,961	4,504	0	4,705	127	18	4,585
Norwood, Payneham & St Peters	19,435	35,277	0	20,018	1,027	0	36,561
Onkaparinga	73,627	168,283	1	80,647	3,400	58	170,127
Orroroo Carrieton	409	860	0	1,670	25	0	903
Peterborough	1,055	2,015	0	1,927	21	9	1,703
Playford	35,921	101,510	0	41,297	1,748	21	92,191
Port Adelaide Enfield	59,460	130,109	0	63,807	3,703	0	124,731
Port Augusta	7,103	15,754	3	8,272	255	7	14,284
Port Lincoln	7,632	15,302	2	8,612	290	2	14,650
Port Pirie	8,618	19,229	5	11,181	370	6	17,754
Prospect	9,659	19,881	0	9,908	462	0	21,126
Renmark Paringa	3,986	9,994	1	5,889	214	3	9,825
Robe	1,521	1,377	1	2,695	100	1	1,414
Roxby Downs	1,970	4,384	0	2,122	33	0	3,979
Salisbury	57,908	149,269	0	61,154	2,273	22	142,024
Southern Mallee	769	2,038	0	1,983	57	0	2,063
Streaky Bay	1,094	2,194	1	2,679	93	0	2,195
Tatiara	2,465	6,614	0	5,115	127	16	6,826
Tea Tree Gully	41,057	94,081	0	43,201	2,245	6	99,769
Turnby Bay	1,295	2,671	2	2,545	71	4	2,685
Unley	18,549	35,840	0	18,928	488	8	39,026
Victor Harbor	8,977	15,570	0	10,949	543	32	15,180
Wakefield	2,649	7,224	1	5,953	246	22	6,924
Walkerville	3,868	7,030	0	4,036	365	0	7,908
Wattle Range	5,057	12,038	0	9,917	338	0	11,981
West Torrens	29,685	57,943	0	30,666	1,339	18	59,553
Whyalla	11,704	24,690	3	12,504	322	0	21,997
Wudinna	511	1,252	0	1,362	25	0	1,298
Yankalilla	3,581	4,980	2	5,824	338	35	5,373
Yorke Peninsula	9,330	11,406	12	15,246	592	0	11,286
<b>Total</b>	<b>787,137</b>	<b>1,702,817</b>	<b>78</b>	<b>938,464</b>	<b>43,771</b>	<b>825</b>	<b>1,717,412</b>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

- *July 2015* – the Commission made changes to its methodology for the 2015-16 grant recommendations, including the re-introduction of revenue and expenditure assessments for Libraries using estimated resident population as the unit of measure and updating the unit of measure for the Waste Management expenditure function to include the number of commercial (shop) properties in the calculations.
- *May 2016* – the Commission completed the first stage of a review of its Other Needs Assessment (Function 50), making a number of changes for the 2016-17 grant recommendations. Changes included the removal of the capital city status allowance for the City of Adelaide, removal of the allowance for duplicated facilities, the creation of a new expenditure function to account for the removal of the Environment and Coastal Protection allowances in Function 50 and the removal of the Cultural and Tourism allowance from Function 50 and the inclusion of its net expenditure in the updated Sport, Recreation and Culture expenditure function.
- *May 2017* – as part of the 2017-18 Federal Budget, the Australian Government lifted the “pause” on indexation (the annual increase in the National pool of funding based on changes in CPI and population) of the Financial Assistance Grants for a period of three years.
- *May 2017* – as part of the 2017-18 Federal Budget, the Australian Government reinstated the Supplementary Local Road Funding program to South Australia. The Supplementary Local Road Funding program will provide \$20 million per year during 2017-18 and 2018-19.
- *June 2017* - approximately half of the 2017-18 Financial Assistance Grants were brought forward by the Commonwealth and paid in 2016-17. Allocation of the early payment of the 2017-18 grants was based on the approved 2016-17 distribution.
- *January 2018* – full payment of the 2017-18 Supplementary Local Road Funding was paid to councils.
- *June 2018* - approximately half of the 2018-19 Financial Assistance Grants were brought forward by the Commonwealth and paid in 2017-18. Allocation of the early payment of the 2018-19 grants was based on the approved 2017-18 distribution.

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## APPENDIX VII – 2016-17 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 2016-17 General Information, Supplementary Returns and their Audited Financial Statements by the due date of 30 November 2017 and thereby facilitated the timely determination of grants.

1. Adelaide
2. Alexandrina
3. Barossa
4. Barunga West
5. Berri Barmera
6. Burnside
7. Campbelltown
8. Ceduna
9. Charles Sturt
10. Clare and Gilbert Valleys
11. Cleve
12. Copper Coast
13. Elliston
14. Flinders Ranges
15. Franklin Harbour
16. Gawler
17. Goyder
18. Grant
19. Kangaroo Island
20. Karoonda East Murray
21. Kimba
22. Light Regional
23. Lower Eyre Peninsula
24. Marion
25. Mid Murray
26. Murray Bridge
27. Northern Areas
28. Norwood, Payneham & St Peters
29. Onkaparinga
30. Orroroo Carrieton
31. Peterborough
32. Playford
33. Port Adelaide Enfield
34. Port Augusta
35. Port Lincoln
36. Port Pirie
37. Prospect
38. Robe
39. Salisbury
40. Southern Mallee
41. Streaky Bay
42. Tatiara
43. Tea Tree Gully
44. Tumby Bay
45. Unley
46. Victor Harbor
47. Walkerville
48. Wattle Range
49. West Torrens
50. Wudinna
51. Yorke Peninsula

**APPENDIX VIII - Financial Statements 2017-18**

**SOUTH AUSTRALIAN LOCAL GOVERNMENT GRANTS COMMISSION**

# Financial Statements

For the Year Ended 30 June 2018

**South Australian Local Government Grants Commission**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2018*

	Note	2018	2017
	No	\$'000	\$'000
<b>Expenses</b>			
Employee benefit expenses	3	293	300
Supplies and services	5	129	88
<b>Total Expenses</b>		<b>422</b>	<b>388</b>
<b>Income</b>			
Interest revenue	6	27	22
<b>Total Income</b>		<b>27</b>	<b>22</b>
<b>Net cost of providing services</b>		<b>(395)</b>	<b>(366)</b>
<b>Revenues from (payments to) SA Government</b>			
Revenues from SA Government	7	447	478
<b>Net Revenues from SA Government</b>		<b>447</b>	<b>478</b>
<b>Net Result</b>		<b>52</b>	<b>112</b>
<b>Total comprehensive result</b>		<b>52</b>	<b>112</b>

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 2018*

	Note No	2018 \$'000	2017 \$'000
<b>Current assets</b>			
Cash	8	1 277	1 238
Receivables	9	1	1
<b>Total Current Assets</b>		<b>1 278</b>	<b>1 239</b>
<b>Total Assets</b>		<b>1 278</b>	<b>1 239</b>
<b>Current liabilities</b>			
Payables	10	15	15
Employee benefits	11	30	34
<b>Total Current Liabilities</b>		<b>45</b>	<b>49</b>
<b>Non-current liabilities</b>			
Payables	10	11	11
Employee benefits	11	110	119
<b>Total Non-Current Liabilities</b>		<b>121</b>	<b>130</b>
<b>Total Liabilities</b>		<b>166</b>	<b>179</b>
<b>Net assets</b>		<b>1 112</b>	<b>1 060</b>
<b>Equity</b>			
Retained earnings		1 112	1 060
<b>Total Equity</b>		<b>1 112</b>	<b>1 060</b>

Total equity is attributable to the SA Government as owner.

Unrecognised contractual commitments	12
Contingent assets and liabilities	13

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 2018*

	<b>Retained Earnings \$'000</b>	<b>Total Equity \$'000</b>
<b>Balance at 30 June 2016</b>	<b>948</b>	<b>948</b>
Net result for 2016-17	112	112
Total Comprehensive Result for 2016-17	112	112
<b>Balance at 30 June 2017</b>	<b>1 060</b>	<b>1 060</b>
Net result for 2017-18	52	52
Total Comprehensive Result for 2017-18	52	52
<b>Balance at 30 June 2018</b>	<b>1 112</b>	<b>1 112</b>

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

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



**South Australian Local Government Grants Commission**  
**Statement of Cash Flows**  
*for the year ended 30 June 2018*

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
	<b>Inflows</b>	<b>Inflows</b>
	<b>(Outflows)</b>	<b>(Outflows)</b>
<b>Cash flows from operating activities</b>		
Employee benefit payments	(307)	(289)
Supplies and services	(128)	(87)
<b>Cash used in Operations</b>	<b>(435)</b>	<b>(376)</b>
<b>Cash inflows</b>		
Interest received	27	24
<b>Cash generated from Operations</b>	<b>27</b>	<b>24</b>
<b>Cash flows from SA Government</b>		
Receipts from SA Government	447	478
<b>Cash Generated from SA Government</b>	<b>447</b>	<b>478</b>
<b>Net Cash provided by / (used in) Operating Activities</b>	<b>39</b>	<b>126</b>
<b>Net (decrease) / increase in cash</b>	<b>39</b>	<b>126</b>
Cash at 1 July	1 238	1 112
<b>Cash at 30 June</b>	<b>1 277</b>	<b>1 238</b>

**SOUTH AUSTRALIAN LOCAL GOVERNMENT GRANTS COMMISSION**

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

**For the Year Ended 30 June 2018**

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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 Transport, Infrastructure and Local Government on the distribution of untied Commonwealth financial assistance grants to local governing authorities in South Australia in accordance with State and Federal legislative requirements.

### **Note 2: Basis of Financial Statements**

#### **a) 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 17.

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.

#### **b) 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 (Reduced Disclosure Requirements), and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions 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.

#### **c) Basis of preparation**

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

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

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

#### d) 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 the Department of Planning, Transport and Infrastructure 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.

#### Note 3: Employee Benefit Expenses

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	173	186
Annual Leave	18	20
Long service leave	8	8
Skills and experience retention leave	5	2
Employment on-costs	37	39
Commission fees	50	43
Other employee related expenses	2	2
<b>Total Employee Benefits Expense</b>	<b>293</b>	<b>300</b>

#### Targeted Voluntary Separation Packages (TVSPs)

No employees were paid TVSPs during the period 1 July 2017 to 30 June 2018.

#### 3.1 Remuneration of employees

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

#### 3.2 Key Management Personnel

Key management personnel of the Commission includes the three Commission members and the Executive Officer who have responsibility for the strategic direction and management of the Commission.

Total compensation for the Commission's key management personnel was \$179 908 (\$171 558). Salaries and other benefits the Minister for Transport, Infrastructure and Local Government receives are excluded from this total. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

#### Note 4: Remuneration of Commission Members

Members during the 2018 financial year were:

Burgess D J  
McEwen R J  
Patetsos M

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

	2018	2017
\$0 - \$9 999	-	2
\$10 000 - \$19 999	2	2
\$20 000 - \$29 999	1	1
<b>Total number of members</b>	<b>3</b>	<b>5</b>

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 \$54 000 (\$48 000).

#### Note 5: Supplies and Services

	2018	2017
	\$'000	\$'000
Service Level Agreement	72	44
Information technology	22	23
Auditor's remuneration	11	11
Travel	11	2
Other	11	8
Other service contracts	2	-
<b>Total Supplies and Services</b>	<b>129</b>	<b>88</b>

#### Note 6: Interest Revenue

	2018	2017
	\$'000	\$'000
Interest from the Department of Treasury and Finance	27	22
<b>Total Interest Revenue</b>	<b>27</b>	<b>22</b>

**Note 7: Revenues from SA Government**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue from SA Government	447	478
<b>Total Revenues from SA Government</b>	<b>447</b>	<b>478</b>

Revenues are recognised when the Commission obtains control over the funding. Control over revenues is normally upon receipt.

**Note 8: Cash**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Deposits at call with the Treasurer	1 277	1 238
<b>Total Cash</b>	<b>1 277</b>	<b>1 238</b>

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

**Note 9: Receivables**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current:</b>		
Accrued Interest on deposits	1	1
<b>Total Current Receivables</b>	<b>1</b>	<b>1</b>
<b>Total Receivables</b>	<b>1</b>	<b>1</b>

**Note 10: Payables**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current:</b>		
Creditors	1	-
Accrued expenses	11	11
Employment on-costs	3	4
<b>Total Current Payables</b>	<b>15</b>	<b>15</b>
<b>Non-Current:</b>		
Employment on-costs	11	11
<b>Total Non-Current Payables</b>	<b>11</b>	<b>11</b>
<b>Total Payables</b>	<b>26</b>	<b>26</b>

Payables are measured at their nominal amount. Creditors and accruals are raised for amounts owing but unpaid. Sundry creditors are normally settled within 30 days from the date the invoice is first received.

Employment on-costs include payroll tax 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.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has changed the 2017 rate of 40% to 41% and the average factor for the calculation of employer superannuation on-cost has changed from the 2017 rate of 10.1% to 9.9%. These rates are used in the employment on-cost calculation. The net financial effect is not material.

#### Note 11: Employee Benefits

	2018 \$'000	2017 \$'000
<b>Current:</b>		
Annual leave	11	15
Long service leave	12	11
Skills and experience retention leave	2	2
Accrued salaries and wages	5	6
<b>Total Current Employee Benefits</b>	<b>30</b>	<b>34</b>
<b>Non-Current:</b>		
Long service leave	110	119
<b>Total Non-Current Employee Benefits</b>	<b>110</b>	<b>119</b>
<b>Total Employee Benefits</b>	<b>140</b>	<b>153</b>

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

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

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

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

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

#### Long service leave

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

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



AASB 119 Employee Benefits requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service liability. The yield on long term Commonwealth Government bonds remains unchanged from 2017 (2.5%).

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.

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

#### **Note 12: Unrecognised Contractual Commitments**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	74	72
Later than one year but not later than five years	154	228
<b>Total commitments</b>	<b>228</b>	<b>300</b>

The commitment relates to a service agreement.

#### **Note 13: Contingent Assets and Liabilities**

The Commission is not aware of any contingent assets or liabilities as at 30 June 2018.

#### **Note 14: Financial Risk Management/Financial Instruments**

##### **Financial Risk Management**

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

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

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

##### **Categorisation of financial instruments**

All financial assets and liabilities are carried at cost and are current for 2018 and 2017.

#### **Note 15: Related Party Transactions**

The Commission is a statutory authority established pursuant to the *South Australian Local Government Grants Commission Act 1992* and is a wholly owned and controlled entity of the Crown.

Related parties of the Commission include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

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

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

**Note 16: After Balance Date Events**

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

**Note 17: Disclosures of Administered Items**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Administered Commonwealth Revenues</b>		
Commonwealth Financial Assistance Grants	158 075	229 453
Commonwealth Roads to Recovery Grants	7 015	9 843
Supplementary Local Road Funding Grants	20 000	-
<b>Total Administered Revenues - Commonwealth receipts</b>	<b>185 090</b>	<b>239 296</b>
<b>Administered Commonwealth Expenditure Grants</b>		
Commonwealth Financial Assistance Grants	158 075	229 453
Commonwealth Roads to Recovery Grants	7 015	10 042
Supplementary Local Road Funding Grants	20 000	-
<b>Total Administered Expenses - Commonwealth payments</b>	<b>185 090</b>	<b>239 495</b>

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## South Australian Local Government Grants Commission CERTIFICATION OF THE FINANCIAL STATEMENTS

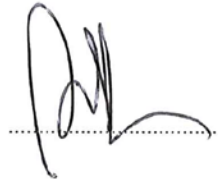
We certify that the:

- financial statements of the South Australian Local Government Grants Commission:
  - are in accordance with the accounts and records of the South Australian Local Government Grants Commission; and
  - comply with relevant accounting standards; and
  - present a true and fair view of the financial position of the South Australian Local Government Grants Commission at the end of the financial year and the result of its operations and financial year.
- Internal controls employed by the South Australian Local Government Grants Commission for financial reporting and its preparation of the financial statements have been effective for the financial year.



Mary Patetsos  
Chair  
South Australian Local Government  
Grants Commission

28 September 2018



Peter Ilee  
Executive Officer  
South Australian Local Government  
Grants Commission

28 September 2018

**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 financial report of the South Australian Local Government Grants Commission for the financial year ended 30 June 2018.

**Opinion**

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the South Australian Local Government Grants Commission as at 30 June 2018, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2018
- a Statement of Financial Position as at 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chair and Executive Officer.

**Basis for opinion**

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

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

## **Responsibilities of the Executive Officer and members of the South Australian Local Government Grants Commission for the financial report**

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

The members of the South Australian Local Government Grants Commission are responsible for overseeing the entity's financial reporting process.

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

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Officer
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Andrew Richardson

**Auditor-General**

28 September 2018