



South Australian Local Government Grants Commission

2018-19 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 2018-19.

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

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

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

Bruce Green
Chair
South Australian Local Government Grants Commission



Signature

30 September 2019

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 2018-19, the Commission made recommendations on the distribution of Financial Assistance Grants for 2019-20 totalling \$164.46 million. Of this, \$121.61 million was provided for general purpose grants and \$42.85 million provided for identified local road grants. This represents an increase in general purpose grants from the previous year of 2.81 percent and an increase in identified road grants of 4.05 percent, an overall increase of 3.13 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 percent in 2018-19 to an estimated 6.92 percent of the pool of available funding for 2019-20.

In addition to the Financial Assistance Grants, \$40 million was provided for 2019-20 and 2020-21 under the Supplementary Local Road Funding program, which was reinstated as part of the 2019-20 Federal Budget. The Supplementary Local Road Funding for 2019-20 and 2020-21 was paid to South Australia as a brought forward payment in June 2019.

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 2019-20, the Commission increased general purpose grants to all but three of the States local governing authorities. Decreases in grants were provided to three councils assessed as having a decreasing need for assistance and grants to the Maralinga Aboriginal Community was held to the same level as last year pending a review of their per capita allocation.

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 2018-19.

In keeping with progressive updates made in previous years, the Commissions Supplementary Return was again reviewed in 2018-19 to ensure that it mirrors the Model Financial Statements used by the local government sector.

2018-19 saw significant change in the membership of the Commission. A new Chair, Mr Bruce Green, was appointed in January 2019, taking over from Ms Mary Patetsos. Mary was chair of the Commission for over 8 years and a member of the Commission since 2002. The Chair of the Commission is a joint nominee of the Minister for Transport, Infrastructure and Local Government and the Local Government Association.

Commissioner Rory McEwen, the nominee of the Minister for Transport, Infrastructure and Local Government relinquished his role in May 2019. A new Ministerial Nominee will be appointed earlier in the new financial year. Mayor Dave Burgess continued on as a Commissioner and the nominee of the Local Government Association for 2018-19.

From 1 January 2019, the Commission was appointed as the body responsible for undertaking the assessment of proposals, oversee investigations and making recommendations to the Minister for Transport, Infrastructure and Local Government on boundary change submissions made in accordance with the *Local Government (Boundary Adjustment) Amendment Act 2017*.

Known as the Local Government Boundaries Commission (the Boundaries Commission) for the purposes of considering boundary change proposals, the new arrangements provide a simpler and broader process for boundary change proposals to be initiated by either House of Parliament, the Minister for Transport, Infrastructure and Local Government, a council or councils or by a prescribed percentage (10 percent) of eligible electors.

The Boundaries Commission is responsible for assessing proposals, overseeing investigations and making recommendations to the Minister.

Working with the Office of Local Government and the Local Government Association, the Boundaries Commission has developed a set of Guidelines to detail the process by which it will receive, assessed and progress council boundary change proposals. Further information about the Guidelines is provided in Chapter 1.

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.

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

Key Strategies and their Relationship to SA Government Objectives

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

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

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

Agency Programs and Initiatives and their Effectiveness and Efficiency

Special Local Roads Program

As part of the Commission's responsibilities to make recommendations on the distribution of untied Commonwealth 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 2019-20 and 2020-21).

The current Panel comprises Mayor Keith Parkes, (Mayor, Alexandrina Council), as Chairperson, Mr Mike Wilde (Unit Manager, Moving Freight, 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 Lea 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 2019-20, \$6.427 million will be allocated to specific projects under the Financial Assistance Grants program, \$6.075 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 \$15.502 million will be allocated to 32 projects across the State for 2019-20. Of these projects, 5 projects will be undertaken in metropolitan councils and 27 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 is responsible for advising the Minister for Transport, Infrastructure and Local Government on submissions from councils seeking the reclassification of local roads to state (arterial) roads.

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

The role of this Committee is currently under review.

Legislation Administered by the Agency

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

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

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

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

Organisation of the Agency

Members

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

Members during 2018-19 were:

- Ms Mary Patetsos, Chair from 13 August 2015 to 15 November 2018, joint nominee of the Local Government Association and the Minister for Transport, Infrastructure and Local Government and a Commissioner from 2002 to 2018;
- Mr Bruce Green, Chair from 31 January 2019 to 30 January 2022, joint nominee of the Local Government Association and the Minister for Transport, Infrastructure and Local Government;
- Mr Rory McEwen, Commissioner from 1 August 2016 to 8 May 2019, nominee of the Minister for Transport, Infrastructure and Local Government; and
- Mayor Dave Burgess, Commissioner from 23 May 2017 to 22 May 2020, 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.

Additional support for the Boundaries Commission is provided from the Local Government Policy Unit, Office of Local Government, DPTI.

Grants Commission Meetings

The Commission and its staff generally meet on a monthly basis and at other times, as required. A summary of Grants Commission meetings held during 2018-19 is provided below:

Meeting Date	Meeting Participants
24 August 2018	<p>Commissioners Ms Mary Patetsos (C), Mr Rory McEwen and Mayor Dave Burgess.</p> <p>Attendees Mr Peter Ilee (EO), Ms Alex Hart (Manager, OLG), Mr Alex Sgro and Ms Fiona Mitchell.</p>

-
- 17 September 2018 **Commissioners**
Ms Mary Patetsos (C), Mr Rory McEwen and Mayor Dave Burgess.
- Attendees**
Mr Peter Ilee (EO), Ms Alex Hart (Manager, OLG), Mr Alex Sgro and Ms Fiona Mitchell.
- 28 September 2018 **Commissioners**
Ms Mary Patetsos (C), Mr Rory McEwen and Mayor Dave Burgess.
- Attendees**
Mr Peter Ilee (EO), Ms Alex Hart (Manager, OLG), Mr Alex Sgro and Ms Fiona Mitchell.
- 29 October 2018 **Commissioners**
Ms Mary Patetsos (C), Mr Rory McEwen and Mayor Dave Burgess.
- Attendees**
Mr Peter Ilee (EO), Mr Alex Sgro and Mr David Whiterod. (A/Manager, OLG).
Apologies: Ms Alex Hart (Manager, OLG) and Ms Fiona Mitchell).
- 12 December 2018 **Commissioners**
Mr Rory McEwen and Mayor Dave Burgess (C).
- Attendees**
Mr Peter Ilee (EO), Ms Alex Hart (Manager, OLG), Mr Alex Sgro and Ms Fiona Mitchell.
- 6 February 2019 **Commissioners**
Mr Bruce Green (C), Mr Rory McEwen and Mayor Dave Burgess.
- Attendees**
Mr Peter Ilee (EO), Ms Alex Hart (Manager, OLG), Mr Alex Sgro and Ms Fiona Mitchell.
Special Guest: Mr Peter Emery
- 22 February 2019 **Commissioners**
Mr Bruce Green (C), Mr Rory McEwen and Mayor Dave Burgess.
- Attendees**
Mr Peter Ilee (EO), Mr David Whiterod (proxy for Ms Alex Hart), Mr Alex Sgro and Ms Fiona Mitchell.
Apologies: Ms Alex Hart. (Manager, OLG).
- 21 March 2019 **Commissioners**
Mr Bruce Green (C), Mr Rory McEwen and Mayor Dave Burgess.
- Attendees**
Mr Peter Ilee (EO), Ms Alex Hart (Manager, OLG), Mr Alex Sgro and Ms Fiona Mitchell.
- 2 May 2019 **Commissioners**
Mr Bruce Green (C), Mr Rory McEwen and Mayor Dave Burgess.
- Attendees**
Mr Peter Ilee (EO), Ms Alex Hart (Manager, OLG), Mr Alex Sgro and Ms Fiona Mitchell.
- 27 June 2019 **Commissioners**
Mr Bruce Green (C) and Mayor Dave Burgess.

Attendees

Mr Peter Ilee (EO), Ms Alex Hart (Director, OLG), Mr Alex Sgro and Ms Fiona Mitchell.

(C) Denotes Chair (or Presiding Member).

(EO) Denotes Commission's Executive Officer

Boundaries Commission Meetings

The Commission and its staff generally meet on a monthly basis and at other times, as required. A summary of Boundaries Commission meetings held during 2018-19 is provided below:

Meeting Date	Meeting Participants
2 January 2019	<p>Commissioners (out of sessions meeting) Mr Rory McEwen and Mayor Dave Burgess.</p> <p>Attendees Ms Alex Hart (Manager, OLG)</p>
6 February 2019	<p>Commissioners Mr Bruce Green (C), Mr Rory McEwen and Mayor Dave Burgess.</p> <p>Attendees Mr Peter Ilee (EO), Ms Alex Hart (Manager, OLG), Mr David Whiterod, Mr Thomas Rossini and Ms Fiona Mitchell.</p>
22 February 2019	<p>Commissioners Mr Bruce Green (C), Mr Rory McEwen and Mayor Dave Burgess.</p> <p>Attendees Mr Peter Ilee (EO), Mr David Whiterod (proxy for Ms Alex Hart), Mr Thomas Rossini and Ms Fiona Mitchell. <i>Apologies:</i> Ms Alex Hart. (Manager, OLG).</p>
21 March 2019	<p>Commissioners Mr Bruce Green (C), Mr Rory McEwen and Mayor Dave Burgess.</p> <p>Attendees Mr Peter Ilee (EO), Ms Alex Hart (Manager, OLG), Mr Thomas Rossini and Ms Fiona Mitchell.</p>
2 May 2019	<p>Commissioners Mr Bruce Green (C) and Mayor Dave Burgess.</p> <p>Attendees Mr Peter Ilee (EO), Ms Alex Hart (Manager, OLG), Mr Thomas Rossini and Ms Fiona Mitchell. <i>Apologies:</i> Mayor Dave Burgess</p>
27 June 2019	<p>Commissioners Mr Bruce Green (C) and Mayor Dave Burgess.</p> <p>Attendees Mr Peter Ilee (EO), Ms Alex Hart (Director, OLG) and Ms Fiona Mitchell. <i>Apologies:</i> Mr Thomas Rossini</p>

Member Profiles

Ms Mary Patetsos BSW Grad Dip Sociology, JP (Chair to November 2018)

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 Bruce Green (Chair from January 2019)

Chair of the Local Government Grants Commission from January 2019; Chair of the Local Government Boundaries Commission from January 2019; Board Member, Eyre and Far North Local Health Network from July 2019; Mayor, City of Port Lincoln 2010 to 2018; President Eyre Peninsula Local Government Association 2014-2018; Board Member Local Government Association SA 2015-2018; Board Member Local Government Workers Compensation Board 2016-2018; Board Member Local Government Mutual Liabilities Scheme 2016-2018; National Logistics Manager Destiny Shipping July 2006-June 2008; Business Adviser Eyre Regional Development Board 2005-06; Manager Southern Australian Seafood's Land based abalone farm 2002-2005; Consultant: Arthur Andersen Jakarta Indonesia 2001; Contract Manager Warwick RSL Services and Citizens Club 2000-2001; Mayor Shire of Warwick 1994-2000; Chairman Darling Downs Bacon Cooperative Pty. Ltd. 1988-1996; President Pork Council of Australia 1995-1996; Board member Australian Pork Corporation 1992-1994; Owner operator Intensive Piggery Warwick Qld. 1986-1997.

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

Commissioner of the Local Government Grants Commission since August 2016; Commissioner of the Local Government Boundaries Commission from January 2019; 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; Commissioner of the Local Government Boundaries Commission from January 2019; Mayor, Mid Murray Council since 2010; Local Government Association SA Board member 2011-18; SA Regional Organisation of Councils (SAROC) since 2011; Former Director to represent the Local Government Association SA on Board of the Australian Local Government Association; Former Chair of Local Government Workers Compensation Scheme and Local Government Mutual Liability Scheme. President of Murraylands and Riverland Local Government Association 2012-19, currently Vice President and member since 2007; Former Deputy Chairman of Regional Development Australia Murraylands and Riverland Board and Board Member from 2010 to July 2018; Past President of the Local Government Association SA; and Member of the Murray River Lakes and Coorong Tourism Alliance (previously Murraylands Tourism Partnership) for 9 years.

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, a joint nominee of the Minister and the LGA. Members are appointed by the Governor. The Ministers Office and the LGA have systems and procedures in place for the selection of members.

The Commission's administrative staff are managed within the human resources management framework provided by the 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 2018-19.

Fraud Detection in the Agency

There has been no fraud detected in any of the Commission's activities during 2018-19. 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 management of the Commission's finances are supported by the Department of Planning, Transport and Infrastructure's financial management framework.

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

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

Whistle-blowers' Disclosure

The Commission did not receive any disclosures of public interest information under the *Whistle-blowers' Protection Act 1993* during 2018-19.

Executive Employment in the Agency

There was no Executive Employment within the Commission during 2018-19.

Consultants and Contractors

The Commission engaged the services of Rex Mooney (RMBAS Local Government Finance Specialist) for consulting services during 2018-19. 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 2018-19. The value of these services in relation to the 2018-19 updates is under \$25,000.

Financial Performance of the Agency and Other Financial Information

The Commission's 2018-19 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 2018-19.

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

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

Section B: Reporting Required under any other Act or Regulation

CHAPTER 1 - LEGISLATIVE FRAMEWORK

Commonwealth Local Government (Financial Assistance) Act 1995

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

- a per capita distribution (to the States) for the general financial assistance component;
- the continued separate identification of local road funding and maintenance of existing state shares for that funding;
- a national report on the operation of the Act, specifically the achievement of horizontal equalisation, the methods used by the Commissions, the performance of councils including their efficiency, and the provision of services to Aboriginal & Torres Strait Islander communities; and

- a set of national principles governing the distribution of grants between councils replacing the previous state by state principles. The principles, which provide for a distribution based on horizontal fiscal equalisation (subject to the minimum grant entitlement), are discussed in detail below.

The Commission allocated the grants for 2019-20 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 2019-20 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 renewal of the Supplementary Local Road Funding program for 2019-20 and 2020-21 as part of the 2019-20 Federal Budget will provide a funding boost to South Australia.

Entitlements for all States for 2018-19 and for 2019-20 are set out in Tables 1 and 2 below.

TABLE 1 - Commonwealth General Purpose Financial Assistance for Local Government, State and Territory Entitlements 2018-19 and 2019-20

State	2018-19					Actual Allocation (\$mill)
	Proportion (adjusted for actual) (%)	Original Allocation (Estimate) (\$mill)	Adjustment (\$mill)	2019-20 Brought Fwd Pmt Paid in 2018-19 (\$mill)	2019-20 Brought Fwd Pmt Paid in 2018-19 (\$mill)	
New South Wales	31.99	544.06	(3.88)	282.22	282.22	540.18
Victoria	25.71	438.98	(4.78)	229.03	229.03	434.19
Queensland	20.02	341.18	(3.02)	177.16	177.16	338.16
Western Australia	10.48	177.79	(0.86)	91.43	91.43	176.93
South Australia	7.00	118.73	(0.45)	61.11	61.11	118.28
Tasmania	2.12	35.99	(0.19)	18.63	18.63	35.80
Northern Territory	1.00	16.90	0.02	8.65	8.65	16.93
Australian Capital Territory	1.67	28.50	(0.27)	14.89	14.89	28.23
TOTAL	100.00	1,702.13	(13.42)	883.11	883.11	1,688.71

State	2019-20					\$ Change 2018-19 to 2019-20 (\$)	% Change 2018-19 to 2019-20 (%)
	Proportion (based on estimates) (%)	Allocation (Estimate) (\$mill)	2019-20 Brought Fwd Pmt Paid in 2018-19 (\$mill)	Allocation Plus Brought Fwd Pmt (\$mill)	Cash Payment (\$mill)		
New South Wales	31.96	279.31	282.22	561.53	275.43	21,344,737	3.95
Victoria	25.93	226.55	229.03	455.58	221.77	21,388,392	4.93
Queensland	20.07	175.40	177.16	352.56	172.39	14,395,285	4.26
Western Australia	10.35	90.47	91.43	181.90	89.62	4,969,439	2.81
South Australia	6.92	60.50	61.11	121.61	60.05	3,326,311	2.81
Tasmania	2.11	18.45	18.63	37.08	18.26	1,280,101	3.58
Northern Territory	0.98	8.53	8.65	17.18	8.56	254,869	1.51
Australian Capital Territory	1.68	14.71	14.89	29.60	14.44	1,374,556	4.87
TOTAL	100.00	873.93	883.11	1,757.05	860.51	68,333,690	4.05

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

State	2018-19					2019-20 Brought Fwd Pmt Paid in 2018-19 (\$mill)	Actual Allocation (\$mill)
	Proportion (adjusted for actual) (%)	Original Allocation (Estimate) (\$mill)	Adjustment (\$mill)	2019-20 Brought Fwd Pmt Paid in 2018-19 (\$mill)	Actual Allocation (\$mill)		
New South Wales	29.01	219.13	(1.73)	113.69	217.40		
Victoria	20.62	155.71	(1.23)	80.79	154.49		
Queensland	18.74	141.51	(1.12)	73.42	140.40		
Western Australia	15.29	115.48	(0.91)	59.92	114.57		
South Australia	5.50	41.51	(0.33)	21.54	41.18		
Tasmania	5.30	40.02	(0.32)	20.77	39.71		
Northern Territory	2.34	17.69	(0.14)	9.18	17.55		
Australian Capital Territory	3.21	24.22	(0.19)	12.57	24.03		
TOTAL	100.00	755.29	(5.95)	391.86	749.33		

State	2019-20					\$ Change 2018-19 to 2019-20 (\$)	% Change 2018-19 to 2019-20 (%)
	Proportion (based on estimates) (%)	Allocation (Estimate) (\$mill)	2019-20 Brought Fwd Pmt Paid in 2018-19 (\$mill)	Allocation Plus Brought Fwd Pmt (\$mill)	Cash Payment (\$mill)		
New South Wales	29.01	112.51	113.69	226.20	110.78	8,797,267	4.05
Victoria	20.62	79.95	80.79	160.74	78.72	6,251,231	4.05
Queensland	18.74	72.66	73.42	146.08	71.54	5,681,169	4.05
Western Australia	15.29	59.29	59.92	119.21	58.38	4,636,229	4.05
South Australia	5.50	21.31	21.54	42.85	20.98	1,666,382	4.05
Tasmania	5.30	20.55	20.77	41.32	20.23	1,606,836	4.05
Northern Territory	2.34	9.08	9.18	18.26	8.94	710,280	4.05
Australian Capital Territory	3.21	12.43	12.57	25.00	12.24	972,277	4.05
TOTAL	100.00	387.79	391.86	779.65	381.84	30,321,671	4.05

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 2019-20 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.

Local Government (Boundary Adjustment) Amendment Act 2017

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

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

https://dpti.sa.gov.au/local_govt/boundary_changes

Freedom of Information

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

No requests under the *Freedom of Information Act 1991* were received in 2018-19. 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 in relation to the Financial Assistance Grants has no direct effect on members of the public.

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

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

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

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

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

Categories of Documents

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

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

Information is stored both electronically and on hard copy.

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

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

https://dpti.sa.gov.au/local_govt/boundary_changes

- Received boundary reform proposals and the Commission's recommendations on these proposals will be made available to the public on the Commissions webpage in 2019-20.

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 – FINANCIAL ASSISTANCE GRANTS - COMMISSION 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 per capita entitlement 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, (\$21.01 for 2019-20), 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 2019-20 grants, the Commission constrained changes to grants between minus 3% 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 council's receive and are not dependent upon their own special effort i.e. they are effort neutral, are treated by the "inclusion approach". That is, subsidies such as those for library services and roads are included as a revenue function.

Component Expenditure Grants

Component expenditure grants assess whether the costs of providing a standard range of local government services can be expected to be greater than or less than the average cost for the State as a whole due to factors outside the control of councils. The Commission assesses expenditure needs and a component expenditure grant for each of a range of functions and these are aggregated to give a total component expenditure grant for each council.

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

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

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

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

To overcome fluctuations in the base data, inputs into the expenditure assessments (with the exception of the newly revised road lengths) are averaged over three years. The following table details the approach taken to expenditure functions included in the methodology.

Expenditure Function	Standard Cost	Units of Measure
Waste Management	Reported expenditures ¹	Number of Residential, Rural and Commercial (Shop) Properties
Aged Care Services	Reported expenditures ¹	Population aged 65+ from the ABS Census and estimated resident population
Services to Families and Children	Reported expenditures ¹	Population aged 0-14 years from the ABS Census and estimated resident population
Health Inspection	Reported expenditures ¹	Establishments to inspect
Libraries	Reported expenditures ¹	Estimated Resident Population
Sport, Recreation & Culture	Reported expenditures ¹	Population aged 5-64 years from the ABS Census and Estimated Resident Population
Sealed Roads – Built-Up ⁵	Reported expenditures ¹	Kilometres of built-up sealed road as reported in GIR
Sealed Roads - Non-built-up ⁵	Reported expenditures ¹	Kilometres of non-built-up sealed road as reported in GIR
Sealed Roads - Footpaths etc	Reported expenditures ¹	Kilometres of built-up sealed road as reported in GIR
Unsealed Roads – Built-up ⁵	Reported expenditures ¹	Kilometres of built-up unsealed road as reported in GIR
Unsealed Roads - Non-built-up ⁵	Reported expenditures ¹	Kilometres of non-built-up unsealed road as reported in GIR
Unformed Roads ⁵	Reported expenditures ¹	Kilometres of unformed road as reported in GIR Roads
Stormwater Drainage Maintenance 2,3	Reported expenditures ¹	Number of urban properties ⁴

Community Support	Reported expenditures ¹	3yr average population * SEIFA Advantage Disadvantage CRI
Jetties and Wharves	Reported expenditures ¹	Number of jetties and wharves
Public Order and Safety	Reported expenditures ¹	Total number of properties
Planning and Building Control	Reported expenditures ¹	Number of new developments and additions
Bridges	Reported expenditures ¹	Number of bridges as reported in GIR
Environment and Coastal Protection	Reported Expenditures ¹	Estimated Resident Population
Other Needs Assessments	Set at 1.00.	Based on Commission determined relative expenditure needs in a number of areas ⁶

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

2 Includes both construction and maintenance activities.

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

4 Urban properties = sum [residential properties, commercial properties, industrial properties, exempt residential properties, exempt commercial properties, exempt industrial properties].

5 The Commission has for these functions, used CRI's based on the results of a consultancy led by Emcorp and Associates, in association with PPK Environment and Infrastructure. Tonkin Consulting has since refined the results. For a breakdown of each cost relativity indices by type of road, refer *Appendix V*.

6 Comprises Commission determined relative expenditure needs with respect to the following:

- Non-Resident Use / Tourism / Regional Centre – assessed to be high, medium or low;
- Isolation – measured as distance from the GPO to the main service centre for the council (as determined by the RAA);
- Additional recognition of needs of councils with respect to Aboriginal people – identified by the proportion of the population identified as Aboriginal or Torres Strait Islander;
- Unemployment – identified by the proportion of the population unemployed;

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

The calculated standards by function are outlined below.-

Summary of figures by function

Total Population = 1730280

Function	Standard in Dollars	Unit of Measure per Capita	Total Units of Measure	Unit of Measure
Expenditure Functions				
Waste Management	173.42	0.47898	822,037	No of residential, rural and commercial (shop) properties
Aged Care Services	144.31	0.18083	310,342	Population aged more than 65
Services To Families And Children	71.67	0.17748	304,596	Population aged 0 to 14
Health Inspection	475.88	0.01250	21,453	Establishments to inspect
Libraries	69.49	1.00818	1,730,280	Estimated Resident Population
Sport, Recreation & Culture	290.53	0.76000	1,304,340	Population aged 5 to 49
Sealed Roads - Built Up	12,929.19	0.00634	10,888	Kilometres of sealed builtup
Sealed Roads - Non Built Up	12,929.19	0.00461	7,911	Kilometres of sealed non-builtup
Sealed Roads - Footpaths etc	17,921.09	0.00634	10,888	Kilometres of sealed builtup
Unsealed Roads - Built Up	1,904.60	0.00041	697	Kilometres of formed and surfaced, and natural surface formed builtup road
Unsealed Roads - Non Built Up	1,904.60	0.02737	46,979	Kilometres of formed and surfaced, and natural surface formed non-builtup road
Roads - Unformed	376.35	0.00496	8,518	Kilometres of natural surfaced unformed road
Stormwater Drainage - Maintenance	93.72	0.46336	795,243	No of urban, industrial and commercial properties including exempt
Community Support	52.88	0.99988	1,716,036	3yr average population * SEIFA Advantage Disadvantage CRI
Jetties and Wharves	30,336.71	0.00005	78	Number of jetties and wharves
Public Order and Safety	30.00	0.55128	946,120	Total no of properties
Planning And Building Control	2,119.51	0.02501	42,917	No of new developments and additions
Bridges	11,987.83	0.00041	701	Number of bridges
Environment & Coastal Protection	21.20	1.00818	1,730,280	Estimated Resident Population
Other Special Needs	1.00	19.04482	32,685,400	Total of dollars attributed
Revenue Functions				
Rates - residential	0.0037	165,200	283,217,295,636	Valuation of residential
- commercial	0.0067	21,912	37,606,500,283	Valuation of commercial
- industrial	0.0077	3,517	6,035,654,979	Valuation of industrial
- rural	0.0036	22,060	37,294,636,577	Valuation of rural
- other	0.0042	6,817	11,700,139,441	Valuation of other
Subsidies	1.00	30.08689	51,636,188	The total of the subsidies

Calculated Standards by Function

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

It must be stressed that this only allows the calculation of the raw grant for the individual function, not the estimated grant. The calculation of the estimated grant is not possible as per capita minimums need to be applied and the total allocation apportioned to the remaining councils.

Aggregated Revenue and Expenditure Grants

Component grants for all revenue categories and expenditure functions, calculated for each council using the method outlined above, are aggregated to give each council's total raw grant figure. Where the raw grant calculation per head of population for a council is less than the per capita minimum established as set out in the Act, (\$21.01 for 2019-20), 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 2019-20 grants, the Commission constrained changes between minus 3% 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 2019-20 per capita general purpose grant is \$525.18.

General purpose grants for the Outback Communities Authority increased by 2.81 percent for 2019-20, 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 2019-20, the per capita grant allocated to Aboriginal Communities varied from \$210.83 for Gerard Community to \$1,519.73 for Maralinga Tjarutja Community.

General purpose grants for four of the five Aboriginal communities increased by 2.81 percent, reflecting the increase in the pool of General Purpose Grants for South Australia. General purpose grants to the Maralinga Tjarutja Aboriginal Community were held to their 2018-19 level pending a review of their per capita allocation.

CHAPTER 3 – GRANTS COMMISSION ACTIVITIES 2018-19

Grant Allocation

The total 2018-19 allocation of \$160,240,056 was decreased following the end of the financial year by \$774,327 after adjustments by the Australian Government to account for final population estimates and changes in the Consumer Price Index.

The decrease will be passed on to councils in the four quarterly instalments during 2019-20. The actual allocation figure, which includes the adjusted 2018-19 allocations, is shown in *Chapter 4*.

For 2019-20, the Commission made recommendations on the distribution of \$164,458,422, 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 2019-20 are \$121,611,213, an increase of 2.81 percent over 2018-19. The Identified Local Road Grants are \$42,847,209, an increase of 4.05 percent over the 2018-19 local road component.

The Supplementary Local Road Funding program, reinstated by the Australian Government as part of the 2019-20 Federal Budget for 2019-20 and 2020-21, provided \$20 million per year for this period. The grants were paid in June 2019 as a brought forward payment, of which formula grants of \$34 million (85 percent of the pool) were allocated directly to councils on the basis of the approved allocations of the 2018-19 Identified Local Road Grants and \$6 million (15 percent) was allocated to the Special Local Roads Program for 2019-20 and 2020-21.

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

Methodology Review (ongoing refinement)

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

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

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

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

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

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

The Commission's GIS has been updated by councils annually since it was developed and is currently maintained for the Commission by Primary Industries and Resources SA (PIRSA). Revisions to road length data as at 30 June 2018 were used in the calculation of the 2019-20 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.

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

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

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

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

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

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

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

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

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

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;
- The Australian Bureau of Statistics; and
- The South Australian Productivity Commission.

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

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

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

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 2018-19, the Commission continued with its visiting program, attending 14 meetings at the councils listed over the page. In addition to these meetings, the Commission's Executive Officer met with some Chief Executive Officers and Finance Managers at the Commission's city offices to discuss methodological issues and grant allocations.

Visited in July 2018

Alexandrina Council
 Kangaroo Island Council
 Light Regional Council
 District Council of Loxton Waikerie
 Renmark Paringa Council
 City of Victor Harbor
 District Council of Yankalilla

Visited in August 2018

The Barossa Council
 Berri Barmera Council
 Gerard Aboriginal Community

Visited in April 2019

The Flinders Ranges Council
 District Council of Mount Remarkable
 District Council of Orroroo/Carrieton
 District Council of Peterborough

Submissions Made to the Grants Commission by Councils

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

The following matters were raised by councils by independent submission or as part of council visits. Details of the submissions are available upon request.

March 2019 – Renmark Paringa Council

- The Commission's Other Needs Assessment (otherwise known as Function 50) – Non-resident use, tourism and seasonal workers.

March 2019 – Southern and Hills Local Government Association.

- The use of the SEIFA Index in the Revenue Assessments;
- Recognition of dispersion or duplicated facilities; and
- The Commission's Other Needs Assessment (otherwise known as Function 50);

April 2019 – Visits to the Flinders Region

- Recognising expenditure need for regional airstrips

May 2019 – District Council of Loxton Waikerie

- Recognition of drought declared councils.

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 2018-19.

The Year Ahead

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

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

One of the Commission's primary objectives over the next couple of years includes improving its local roads GIS and the process by which councils provide updates to its local road network. Work to be undertaken includes working with DPTI and PIRSA to bring the maintenance and updating of its GIS in-house to DPTI. As part of this process, the Commission will be investigating improvements to the process of submitting updates to council's local road network, including updating local road network information online.

South Australia's Local Government finance statistics will continue be a major focus. The Commission will look to work with the LGA, Office of Local Government and the SA Local

Government Financial Management Group on data collection issues and understanding some of the issues around data collection and quality.

The Commission is also looking to access its local government networks to address a number of methodology issues raised in recent years. These include the impacts of regional airstrips, boating and marine/water facilities and a review of some of the basic elements of the Commission's methodology.

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 2019-20 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 2019-20. These sessions provide a unique opportunity to discuss the grant allocation process. The Commission values the chance to brief councils on methodology details, and to hear about specific issues facing Council and the Community.

CHAPTER 4 – BOUNDARIES COMMISSION ACTIVITIES 2018-19

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

https://dpti.sa.gov.au/local_govt/boundary_changes

Guidelines

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

The Commission held a workshop at the LGA in May 2019 to provide an overview of the legislative structure, Guidelines and procedures of the Commission for addressing boundary change proposals.

Three proposals have been formally submitted to the Commission, all meeting the requirements of Stage One of the process for the initiation of a general or administrative proposal up to 30 June 2019.

These proposals were submitted by the following Councils/organisations;

1. City of Campbelltown
2. Adelaide Development Company
3. City of Burnside

CHAPTER 5 – FINANCIAL ASSISTANCE GRANTS - ALLOCATIONS

Estimated Grant Allocations for 2019-20

Local Government Authority	Population as at 30-Jun-18	General Purpose Grant (\$)	Identified Road Grant (\$)	Special Local Road Grant (\$)	Total Estimated Grant (\$)
Adelaide	24,794	520,922	273,937		794,859
Adelaide Hills	39,734	834,811	739,061		1,573,872
Adelaide Plains	9,059	1,176,048	279,242		1,455,290
Alexandrina	27,037	879,314	639,461		1,518,775
Barossa	24,808	812,757	512,154		1,324,911
Barunga West	2,551	334,740	213,247		547,987
Berri Barmera	10,853	2,334,634	228,824	428,000	2,991,458
Burnside	45,706	960,283	510,281		1,470,564
Campbelltown	51,469	1,081,364	565,362		1,646,726
Ceduna	3,466	1,969,162	471,404		2,440,566
Charles Sturt	117,382	2,466,196	1,289,800		3,755,996
Clare & Gilbert Valleys	9,379	831,974	417,310	128,500	1,377,784
Cleve	1,799	1,039,113	422,529		1,461,642
Cooper Pedy	1,845	810,598	51,639		862,237
Coorong	5,463	2,340,440	704,308		3,044,748
Copper Coast	14,872	1,700,612	352,019		2,052,631
Elliston	1,019	709,736	438,215		1,147,951
Flinders Ranges	1,693	1,169,092	320,922		1,490,014
Franklin Harbour	1,315	1,005,117	234,112		1,239,229
Gawler	24,018	1,480,201	343,357	854,000	2,677,558
Goyder	4,206	2,582,828	721,679		3,304,507
Grant	8,511	1,411,557	360,884		1,772,441
Holdfast Bay	37,032	778,042	395,174		1,173,216
Kangaroo Island	4,933	1,656,188	427,390		2,083,578
Karoonda East Murray	1,112	1,171,101	363,718		1,534,819
Kimba	1,073	974,743	323,377		1,298,120
Kingston	2,374	503,584	270,865		774,449
Light	15,339	439,477	448,012	720,000	1,607,489
Lower Eyre Peninsula	5,761	473,873	449,573	777,600	1,701,046
Loxton Waikerie	11,726	3,485,728	782,421		4,268,149
Marion	92,308	1,939,391	1,031,278		2,970,669
Mid Murray	8,983	3,253,011	702,090	750,000	4,705,101
Mitcham	67,253	1,412,986	810,071		2,223,057
Mount Barker	35,545	747,804	638,255		1,386,059
Mount Gambier	27,176	2,932,159	428,187		3,360,346
Mount Remarkable	2,910	1,607,132	394,230		2,001,362

Local Government Authority	Population as at 30-Jun-18	General	Identified	Special Local	Total
		Purpose Grant (\$)	Road Grant (\$)	Road Grant (\$)	Estimated Grant (\$)
Murray Bridge	22,165	3,411,943	521,226		3,933,169
Naracoorte Lucindale	8,533	2,694,267	516,323	650,000	3,860,590
Northern Areas	4,603	1,374,367	430,039		1,804,406
Norwood, Payneham & St Peters	36,750	772,118	382,091		1,154,209
Onkaparinga	171,489	5,527,611	2,532,812	668,000	8,728,423
Orroroo Carrieton	854	940,490	272,646		1,213,136
Peterborough	1,700	1,288,629	261,302		1,549,931
Playford	93,426	9,865,202	1,394,597		11,259,799
Port Adelaide Enfield	126,120	2,649,781	1,450,866		4,100,647
Port Augusta	14,102	2,716,763	303,084		3,019,847
Port Lincoln	14,626	1,451,326	235,272		1,686,598
Port Pirie	17,630	4,002,299	504,154		4,506,453
Prospect	21,259	446,652	215,381		662,033
Renmark Paringa	9,869	2,460,051	237,810	975,000	3,672,861
Robe	1,444	30,338	115,365		145,703
Roxby Downs	4,014	140,005	68,614		208,619
Salisbury	142,555	6,736,177	1,690,151	107,900	8,534,228
Southern Mallee	2,094	1,110,225	429,259		1,539,484
Streaky Bay	2,214	1,423,108	497,360		1,920,468
Tatiara	6,794	2,935,628	596,355	175,000	3,706,983
Tea Tree Gully	99,694	2,094,571	1,189,840		3,284,411
Tumby Bay	2,688	497,463	276,314		773,777
Unley	39,145	822,436	400,873		1,223,309
Victor Harbor	15,248	330,397	287,979		618,376
Wakefield	6,814	1,889,776	565,730		2,455,506
Walkerville	7,944	166,903	83,123		250,026
Wattle Range	12,031	2,774,916	576,611	193,000	3,544,527
West Torrens	60,105	1,262,806	652,612		1,915,418
Whyalla	21,766	4,112,598	403,837		4,516,435
Wudinna	1,294	1,191,041	424,038		1,615,079
Yankalilla	5,478	157,001	173,128		330,129
Yorke Peninsula	11,328	1,383,423	869,162		2,252,585
Outback Communities Authority	2,951	1,549,799	-		1,549,799
Anangu Pitjantjatjara	2,558	1,226,301	161,043		1,387,344
Gerard Community Council	227	47,859	21,455		69,314
Maralinga Tjarutja	64	97,263	57,617		154,880
Nipapanha Community Inc	87	30,700	21,363		52,063
Yalata Community Council	255	172,262	46,389		218,651
STATE TOTAL	1,736,422	121,611,213	36,420,209	6,427,000	164,458,422

Final Grant Allocations for 2018-19

Local Government Authority	2018-19 Actual General Purpose Grant \$	2018-19 Actual Road Grant \$	2018-19 Special Road Grant \$	2018-19 Total Actual Grant \$
Adelaide	492,482	259,157		751,639
Adelaide Hills	814,420	709,518		1,523,939
Adelaide Plains	1,139,636	267,203		1,406,839
Alexandrina	799,376	612,627		1,412,004
Barossa	712,945	490,055		1,203,000
Barunga West	334,740	199,896		534,635
Berri Barmera	2,311,518	220,833	497,000	3,029,351
Burnside	940,856	492,198		1,433,053
Campbelltown	1,056,831	544,592		1,601,423
Ceduna	1,969,162	453,834		2,422,996
Charles Sturt	2,382,266	1,232,899		3,615,165
Clare & Gilbert Valleys	729,801	400,942		1,130,743
Cleve	1,028,825	407,042		1,435,867
Cooper Pedy	791,061	47,675		838,735
Coorong	2,317,268	679,483		2,996,751
Copper Coast	1,563,420	334,917		1,898,337
Elliston	702,709	422,619	459,000	1,584,328
Flinders Ranges	1,157,517	308,698		1,466,215
Franklin Harbour	995,165	224,690		1,219,855
Gawler	1,386,986	328,183		1,715,169
Goyder	2,557,255	695,129	93,000	3,345,385
Grant	1,283,233	346,332	200,000	1,829,565
Holdfast Bay	752,025	378,290		1,130,315
Kangaroo Island	1,608,835	411,627		2,020,461
Karoonda East Murray	1,159,506	350,484		1,509,990
Kimba	965,092	311,391		1,276,483
Kingston	519,159	262,029		781,188
Light	385,506	430,002		815,508
Lower Eyre Peninsula	458,685	432,411		891,096
Loxton Waikerie	3,451,216	754,360		4,205,576
Marion	1,883,071	989,883		2,872,954
Mid Murray	3,137,514	673,325	506,000	4,316,839
Mitcham	1,373,353	776,872		2,150,225
Mount Barker	770,932	602,918		1,373,850
Mount Gambier	2,665,599	410,804		3,076,402
Mount Remarkable	1,591,220	377,190		1,968,410

Local Government Authority	2018-19 Actual General Purpose Grant \$	2018-19 Actual Road Grant \$	2018-19 Special Road Grant \$	2018-19 Total Actual Grant \$
Murray Bridge	3,378,161	496,985		3,875,146
Naracoorte Lucindale	2,667,591	498,791		3,166,382
Northern Areas	1,360,759	413,699		1,774,459
Norwood, Payneham & St Peters	752,870	367,581		1,120,451
Onkaparinga	5,363,277	2,416,113	1,507,500	9,286,890
Orroroo Carrieton	931,178	263,286	499,000	1,693,465
Peterborough	1,275,870	251,739		1,527,609
Playford	9,513,101	1,331,882		10,844,984
Port Adelaide Enfield	2,568,481	1,390,149	175,000	4,133,630
Port Augusta	2,683,739	291,109		2,974,848
Port Lincoln	1,330,915	227,370		1,558,285
Port Pirie	3,962,672	480,541		4,443,213
Prospect	435,030	207,061		642,090
Renmark Paringa	2,435,694	228,681	977,000	3,641,375
Robe	29,117	110,764	131,000	270,881
Roxby Downs	127,277	65,717		192,994
Salisbury	6,669,482	1,625,105	302,000	8,596,587
Southern Mallee	1,099,233	413,118	218,000	1,730,351
Streaky Bay	1,409,018	476,460		1,885,478
Tatiara	2,906,562	575,017	386,500	3,868,079
Tea Tree Gully	2,054,459	1,148,156		3,202,615
Tumby Bay	512,848	270,537		783,385
Unley	803,629	386,128		1,189,757
Victor Harbor	312,589	277,635		590,225
Wakefield	1,871,065	544,877		2,415,943
Walkerville	162,842	79,995		242,838
Wattle Range	2,522,651	555,180	275,000	3,352,831
West Torrens	1,226,325	626,421		1,852,747
Whyalla	3,987,431	391,195		4,378,626
Wudinna	1,179,248	408,494		1,587,743
Yankalilla	137,720	165,653		303,374
Yorke Peninsula	1,383,424	833,801		2,217,225
Outback Communities Authority	1,507,440	-		1,507,440
Anangu Pitjantjatjara Yankunytjatjara	1,192,784	154,563		1,347,347
Gerard City Council	46,551	20,592		67,143
Maralinga Tjarutja	97,263	55,298		152,562
Nipapanha Community Inc.	29,861	20,503		50,364
Yalata Community Inc.	167,554	44,522		212,076
STATE TOTAL	118,284,902	34,954,827	6,226,000	159,465,729

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

In 2018-19, 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 2018

(Road length data includes laneways)

Council name	Sealed	Formed	Unformed	TOTAL
Adelaide	129	0	0	129
Adelaide Hills	615	394	7	1,016
Adelaide Plains	161	676	130	967
Alexandrina	560	792	27	1,378
Barossa	358	548	71	977
Barunga West	76	754	98	929
Berri Barmera	284	122	76	482
Burnside	235	5	0	240
Campbelltown	255	0	0	255
Ceduna	78	1380	257	1,715
Charles Sturt	587	0	0	587
Clare & Gilbert Valleys	243	1403	188	1,833
Cleve	114	1319	115	1,549
Cooper Pedy	32	146	259	438
Coorong	368	1520	1	1,889
Copper Coast	301	525	84	909
Elliston	44	967	136	1,148
Flinders Ranges	47	879	336	1,262
Franklin Harbour	84	665	37	787
Gawler	182	21	2	204
Goyder	170	2852	226	3,248
Grant	516	754	297	1,567
Holdfast Bay	179	1	0	179
Kangaroo Island	257	1056	51	1,363
Karoonda East Murray	130	1121	48	1,299
Kimba	100	979	636	1,716
Kingston	128	590	51	769
Light	189	1210	55	1,455
Lower Eyre Peninsula	147	1114	83	1,344
Loxton Waikerie	417	1689	199	2,305
Marion	475	0	0	475
Mid Murray	369	2062	976	3,406
Mitcham	407	5	1	413
Mount Barker	370	381	30	780
Mount Gambier	226	1	0	228
Mount Remarkable	112	1524	433	2,068

Council name	Sealed	Formed	Unformed	TOTAL
Murray Bridge	466	488	22	976
Naracoorte Lucindale	474	1107	37	1,618
Northern Areas	140	1789	274	2,203
Norwood, Payneham & St. Peter	173	0	0	173
Onkaparinga	1301	207	3	1,511
Orroroo Carrieton	59	872	697	1,628
Peterborough	40	805	386	1,231
Playford	750	86	6	842
Port Adelaide Enfield	688	4	0	693
Port Augusta	196	123	92	412
Port Lincoln	153	6	2	161
Port Pirie	320	1004	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	828	5	0	833
Southern Mallee	131	1058	144	1,332
Streaky Bay	102	1415	219	1,736
Tatiara	522	1185	229	1,936
Tea Tree Gully	581	10	6	597
Tumby Bay	60	921	98	1,080
Unley	170	0	0	170
Victor Harbor	258	134	3	395
Wakefield	206	2394	86	2,686
Walkerville	36	0	0	36
Wattle Range	540	1348	552	2,440
West Torrens	293	0	0	293
Whyalla	226	125	3	353
Wudinna	117	1248	322	1,686
Yankalilla	131	365	48	544
Yorke Peninsula	513	3143	239	3,895
TOTAL	18,891	47,771	8,518	75,180

APPENDIX II – Cost Relativity Indices - 2019-20 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	1.00	0.92
Adelaide Plains	0.85	0.90	0.98	0.98	1.00	1.04	0.95
Alexandrina	0.91	0.98	1.01	1.03	1.04	1.00	0.91
Barossa	1.00	1.03	1.03	1.03	1.05	1.10	0.92
Barunga West	0.87	0.93	0.98	0.98	1.00	1.02	0.90
Berri Barmera	1.05	0.99	1.00	1.05	1.05	1.04	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	0.98	1.00	1.00	1.00	0.98	1.08
Clare & Gilbert Valleys	1.02	0.98	0.99	1.00	1.04	1.05	0.92
Cleve	0.87	0.93	0.98	0.98	1.00	1.03	0.94
Cooper Pedy	0.90	0.95	0.98	0.98	1.00	1.13	0.84
Coorong	0.90	0.95	1.00	1.00	1.02	1.02	0.95
Copper Coast	0.87	0.93	0.98	0.98	1.00	1.05	0.92
Elliston	0.84	0.83	0.96	0.95	0.92	1.18	0.94
Flinders Ranges	0.87	1.04	0.97	0.94	0.92	1.03	0.87
Franklin Harbour	0.87	0.93	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	1.10	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	0.95	0.98	0.99	1.02	1.14	0.97
Lower Eyre Peninsula	0.91	0.95	0.98	0.99	1.00	1.07	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	1.12	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	1.01	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	1.05	0.91
Norwood, Payneham & St Peters	1.19	0.96	1.00	1.00	1.00	0.98	0.95
Onkaparinga	1.00	1.05	0.98	1.02	1.06	0.98	0.98
Orroroo Carrieton	0.87	0.91	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	0.98	1.18	1.00	1.00	0.98	1.15
Port Augusta	0.87	0.90	0.98	0.98	1.00	0.98	0.92
Port Lincoln	0.78	0.90	0.95	0.99	0.95	1.00	0.97
Port Pirie	0.88	0.92	1.00	1.01	1.00	0.99	1.07
Prospect	0.97	0.98	1.00	1.00	1.00	0.97	0.98
Renmark Paringa	1.22	1.21	1.20	1.08	1.09	1.07	0.98
Robe	0.98	0.94	0.98	1.04	1.08	1.01	0.94
Roxby Downs	0.89	0.90	0.99	0.98	1.00	1.01	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	1.08	1.15	1.04	1.05	1.02	0.92
Tea Tree Gully	1.08	1.08	1.07	1.01	1.08	0.98	0.96
Tumby Bay	0.89	0.93	1.01	1.01	1.00	1.00	0.94
Unley	1.27	0.98	1.00	1.00	1.00	0.98	0.97
Victor Harbor	0.88	0.95	0.94	0.98	0.92	1.07	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	0.98	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	0.93	1.00	0.98	0.99	0.99	0.88
Yankalilla	0.99	1.09	0.99	1.02	1.05	1.02	0.98
Yorke Peninsula	0.87	0.89	0.99	0.99	0.97	1.07	0.95

APPENDIX III – Revenue relativity index – 2019-20 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
Cooper 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 – 2019-20

Valuation per capita (incorporating the SEIFA index of Economic Resources) - Data sourced from Valuer General as at January each year (data from 2017, 2018 and 2019 averaged).

Unit of Measure:	Residential	Commercial	Industrial	Rural	Other
Adelaide	222,748	385,930	2,625	0	38,875
Adelaide Hills	193,096	6,931	1,021	50,492	7,105
Adelaide Plains	105,142	3,398	1,796	82,488	8,848
Alexandrina	186,953	7,679	1,744	63,376	12,112
Barossa	128,781	12,004	10,113	51,850	6,877
Barunga West	128,171	6,453	1,847	307,089	7,529
Berri Barmera	71,118	12,621	3,022	19,785	4,277
Burnside	350,952	23,357	255	102	8,265
Campbelltown	207,331	7,871	1,045	131	7,053
Ceduna	92,928	18,979	1,221	29,543	7,695
Charles Sturt	208,719	22,643	3,671	20	5,125
Clare & Gilbert Valleys	94,377	13,601	3,191	169,506	7,059
Cleve	75,963	14,384	1,106	246,643	5,275
Coober Pedy	52,986	16,233	1,092	0	4,035
Coorong	65,261	8,000	710	189,791	8,819
Copper Coast	159,480	14,110	1,477	34,092	15,795
Elliston	110,492	12,660	1,172	251,566	16,648
Flinders Ranges	70,763	8,952	616	52,184	6,991
Franklin Harbour	115,603	12,258	4,419	67,165	11,331
Gawler	122,029	12,875	793	5,218	7,274
Goyder	52,769	5,145	789	216,493	4,685
Grant	75,800	2,752	3,129	168,057	6,226
Holdfast Bay	300,385	27,176	1,286	0	6,723
Kangaroo Island	139,395	16,762	1,740	125,936	29,208
Karoonda East Murray	32,160	7,651	2,260	201,286	5,195
Kimba	46,459	16,302	956	218,360	3,424
Kingston	151,041	10,860	1,374	298,147	22,738
Light	108,803	7,389	7,166	99,737	5,911
Lower Eyre Peninsula	135,186	7,258	1,330	193,992	19,254
Loxton Waikerie	74,876	7,537	2,299	65,305	4,026
Marion	180,496	19,532	1,769	79	4,140
Mid Murray	150,754	6,359	1,581	68,107	18,730
Mitcham	241,872	11,362	1,830	721	7,870
Mount Barker	145,872	14,704	2,283	35,124	9,619
Mount Gambier	92,857	18,364	4,682	712	4,690
Mount Remarkable	72,668	7,886	600	143,522	8,965
Murray Bridge	83,574	14,400	4,238	24,932	6,839
Naracoorte Lucindale	71,091	11,523	2,564	174,373	4,063
Northern Areas	64,339	9,153	1,138	240,606	8,236
Norwood, Payneham & St Peter	279,315	52,330	3,111	17	11,571
Onkaparinga	143,033	9,270	2,194	7,473	4,478
Orroroo Carrieton	52,441	6,780	634	182,102	2,339
Peterborough	43,799	6,790	843	40,408	2,542
Playford	80,934	11,537	1,778	10,216	3,871
Port Adelaide Enfield	151,836	25,278	14,574	10	7,349
Port Augusta	75,132	14,962	2,240	2,775	5,567
Port Lincoln	122,704	24,431	5,110	975	7,820
Port Pirie	72,137	11,930	2,642	30,257	3,808
Prospect	241,693	19,065	911	0	5,713
Renmark Paringa	77,933	10,840	2,899	39,255	3,515
Robe	407,015	36,404	7,198	281,681	45,219
Roxby Downs	93,536	10,850	1,591	0	3,548
Salisbury	112,623	14,781	4,676	595	3,544
Southern Mallee	32,759	10,158	1,067	186,912	2,346
Streaky Bay	106,592	13,800	1,433	99,789	21,433
Tatiara	53,163	9,063	3,862	201,442	3,401
Tea Tree Gully	160,624	13,089	1,196	915	3,116
Tumby Bay	122,288	13,267	1,485	256,018	13,166
Unley	310,769	32,227	782	1	6,714
Victor Harbor	201,672	16,093	1,058	22,464	14,059
Wakefield	62,348	9,042	1,669	208,551	6,205
Walkerville	381,499	19,853	261	0	12,521
Wattle Range	72,257	7,383	6,353	166,502	6,026
West Torrens	194,722	33,491	7,461	20	6,449
Whyalla	67,021	9,767	1,491	455	2,196
Wudinna	46,567	17,264	782	166,455	2,248
Yankalilla	239,077	10,276	946	95,892	24,892
Yorke Peninsula	200,986	10,873	1,341	270,079	20,162
State	165,200	21,912	3,517	22,060	6,817

APPENDIX V – Units of Measure by function – Expenditure - 2019-20

Data sourced from Councils and the Australian Bureau of Statistics as at 30 June 2018.

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	14,258	3,142	1,360	1,664	24,794	20,406
Adelaide Hills	16,394	7,044	7,515	1,207	39,734	30,657
Adelaide Plains	4,288	1,223	1,736	223	9,059	7,225
Alexandrina	16,423	7,576	4,144	400	27,037	17,695
Barossa	11,441	4,715	4,608	410	24,808	18,235
Barunga West	2,473	800	359	64	2,551	1,610
Berri Barmera	5,582	2,293	1,913	238	10,853	7,829
Burnside	19,793	9,780	7,848	413	45,706	33,679
Campbelltown	22,451	10,465	8,639	417	51,469	38,239
Ceduna	1,956	564	751	47	3,466	2,745
Charles Sturt	53,852	21,689	18,334	1,187	117,382	87,799
Clare & Gilbert Valleys	5,998	2,052	1,656	331	9,379	6,721
Cleve	1,306	348	349	26	1,799	1,334
Cooper Pedy	1,316	386	327	35	1,845	1,312
Coorong	3,650	1,232	1,026	128	5,463	3,929
Copper Coast	9,891	4,026	2,344	184	14,872	9,850
Elliston	978	166	218	22	1,019	817
Flinders Ranges	1,449	405	270	43	1,693	1,141
Franklin Harbour	975	343	230	13	1,315	858
Gawler	10,423	4,610	4,240	364	24,018	17,577
Goyder	3,994	937	716	88	4,206	3,063
Grant	4,955	1,368	1,576	93	8,511	6,631
Holdfast Bay	19,347	8,714	4,997	380	37,032	26,682
Kangaroo Island	3,942	1,118	803	210	4,933	3,446
Karoonda East Murray	915	289	198	29	1,112	735
Kimba	789	212	265	19	1,073	772
Kingston	2,047	673	381	34	2,374	1,583
Light	6,979	1,963	3,251	299	15,339	12,324
Lower Eyre Peninsula	3,079	881	1,085	35	5,761	4,314
Loxton Waikerie	6,866	2,613	2,090	228	11,726	8,357
Marion	41,048	15,749	15,112	630	92,308	69,926
Mid Murray	8,257	2,211	1,198	223	8,983	6,104
Mitcham	27,363	12,835	11,949	620	67,253	50,258
Mount Barker	14,732	5,191	7,004	778	35,545	26,998
Mount Gambier	12,923	4,844	5,390	493	27,176	20,267
Mount Remarkable	2,569	759	429	80	2,910	1,980
Murray Bridge	10,608	4,230	3,747	236	22,165	16,256
Naracoorte Lucindale	5,555	1,543	1,653	86	8,533	6,462
Northern Areas	3,705	1,045	828	55	4,603	3,213
Norwood, Payneham & St Peters	17,965	7,103	5,295	654	36,750	28,071
Onkaparinga	74,229	29,265	32,183	1,403	171,489	130,481
Orroroo Carrieton	1,178	250	146	32	854	575
Peterborough	1,524	455	256	40	1,700	1,170
Playford	38,139	10,893	21,602	560	93,426	72,825
Port Adelaide Enfield	56,508	19,201	21,370	1,292	126,120	98,019
Port Augusta	6,804	2,293	2,824	199	14,102	11,053
Port Lincoln	6,999	2,759	2,916	229	14,626	11,007
Port Pirie	9,261	3,727	3,220	216	17,630	12,872
Prospect	9,429	2,922	3,663	236	21,259	17,059
Renmark Paringa	4,871	2,011	1,652	168	9,869	7,059
Robe	1,912	352	203	24	1,444	1,016
Roxby Downs	1,856	79	1,128	43	4,014	3,793
Salisbury	56,350	19,726	28,305	1,178	142,555	111,898
Southern Mallee	1,478	469	360	39	2,094	1,504
Streaky Bay	1,680	407	476	30	2,214	1,657
Tatiara	4,097	1,244	1,277	149	6,794	5,101
Tea Tree Gully	40,624	17,995	17,832	818	99,694	75,818
Tumby Bay	1,986	720	465	34	2,688	1,801
Unley	17,653	7,424	6,333	551	39,145	29,912
Victor Harbor	9,392	5,934	2,041	202	15,248	8,680
Wakefield	4,802	1,360	1,397	106	6,814	5,022
Walkerville	3,732	1,694	1,192	63	7,944	5,825
Wattle Range	8,107	2,440	2,150	76	12,031	8,641
West Torrens	28,179	10,480	8,813	638	60,105	45,917
Whyalla	11,334	3,796	4,310	202	21,766	16,952
Wudinna	936	230	281	19	1,294	974
Yankalilla	4,496	1,483	769	77	5,478	3,502
Yorke Peninsula	11,942	3,597	1,597	140	11,328	7,108
Total	822,037	310,342	304,596	21,453	1,730,280	1,304,340

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	214	398	214	3	391	7
Adelaide Plains	91	70	91	35	641	130
Alexandrina	255	302	255	19	772	27
Barossa	155	203	155	10	538	71
Barunga West	35	41	35	7	747	98
Berri Barmera	72	210	72	1	109	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	582	0	582	0	0	0
Clare & Gilbert Valleys	78	165	78	12	1,391	188
Cleve	21	93	21	8	1,311	115
Cooper Pedy	29	3	29	48	99	259
Coorong	55	314	55	14	1,505	1
Copper Coast	201	100	201	44	480	84
Elliston	22	22	22	8	960	136
Flinders Ranges	25	22	25	7	872	336
Franklin Harbour	20	64	20	0	665	37
Gawler	150	30	150	2	16	2
Goyder	67	103	67	33	2,819	226
Grant	29	487	29	2	752	297
Holdfast Bay	172	0	172	0	0	0
Kangaroo Island	54	203	54	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	88	102	88	14	1,194	55
Lower Eyre Peninsula	48	99	48	14	1,101	83
Loxton Waikerie	70	347	70	16	1,674	199
Marion	474	0	474	0	0	0
Mid Murray	80	286	80	28	2,034	976
Mitcham	387	17	387	0	0	1
Mount Barker	199	170	199	9	372	30
Mount Gambier	212	14	212	0	1	0
Mount Remarkable	28	84	28	13	1,510	433
Murray Bridge	148	317	148	6	482	22
Naracoorte Lucindale	73	401	73	4	1,103	37
Northern Areas	63	76	63	29	1,760	274
Norwood, Payneham & St Peters	160	0	160	0	0	0
Onkaparinga	1,045	247	1,045	7	201	3
Orroroo Carrieton	19	41	19	7	865	697
Peterborough	31	8	31	7	799	386
Playford	494	252	494	1	85	6
Port Adelaide Enfield	686	0	686	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	802	23	802	2	3	0
Southern Mallee	25	106	25	7	1,050	144
Streaky Bay	44	58	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	917	98
Unley	165	0	165	0	0	0
Victor Harbor	155	102	155	6	128	3
Wakefield	72	134	72	10	2,384	86
Walkerville	35	0	35	0	0	0
Wattle Range	149	389	149	29	1,316	552
West Torrens	290	0	290	0	0	0
Whyalla	202	21	202	5	52	3
Wudinna	18	99	18	15	1,232	322
Yankalilla	55	76	55	3	363	48
Yorke Peninsula	186	327	186	45	3,097	239
Total	10,888	7,911	10,888	697	46,979	8,518

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	22,809	23,271	0	24,652	941	10	24,794
Adelaide Hills	13,761	35,707	0	18,439	1,039	24	39,734
Adelaide Plains	2,983	8,962	0	5,166	412	4	9,059
Alexandrina	13,799	26,303	3	19,452	1,088	38	27,037
Barossa	9,761	23,461	0	13,276	795	62	24,808
Barunga West	1,634	2,618	0	2,995	97	0	2,551
Berri Barmera	4,921	11,443	4	6,698	180	0	10,853
Burnside	20,420	40,879	0	21,146	1,247	1	45,706
Campbelltown	22,828	49,905	0	24,109	1,340	30	51,469
Ceduna	1,646	3,668	3	2,726	126	0	3,466
Charles Sturt	56,203	115,321	0	58,792	3,227	6	117,382
Clare & Gilbert Valleys	3,852	9,051	0	7,401	290	29	9,379
Cleve	790	1,751	1	1,795	40	2	1,799
Coober Pedy	1,405	2,018	0	2,022	28	0	1,845
Coorong	2,316	5,763	3	5,175	174	0	5,463
Copper Coast	9,495	15,506	1	12,668	570	0	14,872
Elliston	611	1,046	1	1,580	35	0	1,019
Flinders Ranges	850	1,720	0	2,158	45	0	1,693
Franklin Harbour	754	1,297	1	1,323	45	1	1,315
Gawler	10,406	24,187	0	11,694	684	9	24,018
Goyder	1,728	4,361	0	5,030	94	10	4,206
Grant	2,588	8,099	0	5,940	257	1	8,511
Holdfast Bay	20,166	34,598	2	20,900	1,107	4	37,032
Kangaroo Island	2,818	4,868	1	6,011	221	25	4,933
Karoonda East Murray	330	1,106	0	1,492	30	0	1,112
Kimba	419	1,028	0	1,075	25	0	1,073
Kingston	1,447	2,411	1	2,889	64	0	2,374
Light	5,106	14,488	0	8,216	540	17	15,339
Lower Eyre Peninsula	2,254	5,300	3	4,438	202	2	5,761
Loxton Waikerie	5,089	11,973	1	8,951	304	0	11,726
Marion	42,103	89,221	0	43,799	2,468	3	92,308
Mid Murray	5,832	9,204	8	11,398	469	16	8,983
Mitcham	28,115	60,757	0	29,507	1,483	21	67,253
Mount Barker	13,247	32,572	0	17,248	1,265	51	35,545
Mount Gambier	13,730	28,340	0	14,769	408	1	27,176
Mount Remarkable	1,347	2,869	1	3,659	99	4	2,910
Murray Bridge	9,328	23,603	10	12,392	417	6	22,165
Naracoorte Lucindale	3,285	8,540	0	6,708	164	37	8,533
Northern Areas	1,972	4,543	0	4,733	127	18	4,603
Norwood, Payneham & St Peters	19,565	35,088	0	20,175	1,001	0	36,750
Onkaparinga	74,460	169,175	1	81,415	3,398	58	171,489
Orroroo Carrieton	413	861	0	1,682	20	0	854
Peterborough	1,056	2,026	0	1,929	21	9	1,700
Playford	36,861	103,467	0	41,938	2,056	21	93,426
Port Adelaide Enfield	60,118	130,934	0	64,286	3,504	0	126,120
Port Augusta	7,117	15,601	3	8,286	231	7	14,102
Port Lincoln	7,684	15,179	2	8,668	266	1	14,626
Port Pirie	8,653	19,262	5	11,211	369	6	17,630
Prospect	9,753	19,832	0	10,006	520	0	21,259
Renmark Paringa	4,032	10,221	1	5,926	216	3	9,869
Robe	1,543	1,382	1	2,719	107	1	1,444
Roxby Downs	1,970	4,052	0	2,116	23	0	4,014
Salisbury	58,376	150,696	0	61,582	1,810	22	142,555
Southern Mallee	772	2,050	0	1,986	61	0	2,094
Streaky Bay	1,108	2,182	1	2,689	81	0	2,214
Tatiara	2,489	6,668	0	5,134	125	16	6,794
Tea Tree Gully	41,275	94,345	0	43,438	2,257	6	99,694
Tumby Bay	1,307	2,677	2	2,580	74	4	2,688
Unley	18,589	35,786	0	18,961	473	8	39,145
Victor Harbor	9,095	15,597	0	11,044	566	32	15,248
Wakefield	2,665	7,199	1	5,965	245	22	6,814
Walkerville	3,917	7,112	0	4,083	376	0	7,944
Wattle Range	5,092	12,236	0	9,937	412	0	12,031
West Torrens	29,910	58,316	0	30,931	1,381	18	60,105
Whyalla	11,722	24,326	3	12,509	252	0	21,766
Wudinna	511	1,255	0	1,362	20	0	1,294
Yankalilla	3,655	5,241	2	5,851	342	35	5,478
Yorke Peninsula	9,385	11,513	12	15,294	566	0	11,328
Total	795,243	1,716,036	78	946,120	42,917	701	1,730,280

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

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

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

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

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

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

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

- *May 1977* - special report by Commonwealth Grants Commission concerned with the interstate distribution of funds, which established an apportionment of funds between the States and increased the share of funds to South Australia to 8.6010 per cent from 1 July 1977.
- *May 1984* - Commonwealth Government set up National Inquiry into Local Government Finance, chaired by Professor Peter Self.
- *May 1985* - Commonwealth Local Government (Personal Income Tax Sharing) Act amended to provide for an increase in funding for 1985-86 based on the 1984-85 allocation adjusted for any changes in the Consumer Price Index in the year ended March 1986, plus a 2 per cent real increase.
- *October 1985* - Self Inquiry report presented to Commonwealth Government.
- *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 2nd year, the Commission withdrew all calculations (on both the revenue and expenditure sides of the methodology) relating to libraries due to ongoing concerns over inconsistencies found with libraries data.
- *May 2012* – as part of the 2012-13 Federal Budget, the Australian Government announced the continuation of the Roads to Recovery Program, providing \$1.75 billion over five years from 2014-15 to 2018-19 (\$350.0 million per annum).
- *June 2012* - approximately two quarters of the 2012-13 Financial Assistance Grants were brought forward by the Commonwealth and paid in 2011-12. Allocation of the early payment of the 2012-13 grants was based on the 2011-12 distribution.
- *August 2012* – the Commission commenced work on its first full review of its methodology since 1996-97. Terms of reference were established and the Commission went out to open tender to appoint a suitable consultant. KPMG were appointed to undertake the review and the review commenced in November 2012.
- *November 2012* – issues Paper “*Review into Improving the impact of Financial Assistance Grants on Local Government Financial Sustainability*” circulated by the Commonwealth Grants Commission.
- *February 2013* – the Commission presented its submission to the Commonwealth Grants Commission on the review of Financial Assistance Grants.
- *June 2013* - approximately two quarters of the 2013-14 Financial Assistance Grants were brought forward by the Commonwealth and paid in 2012-13. Allocation of the early payment of the 2013-14 grants was based on the 2012-13 distribution.
- *June 2013* – KPMG presented the final report of the Methodology Review and recommendations to the Commission.
- *May 2014* – as part of the 2014-15 Federal Budget, the Australian Government “paused” indexation (the annual increase in the National pool of funding based on changes in CPI and population) of the Financial Assistance Grants for a period of three years, commencing 1 July 2014.
- *May 2014* – the Australian Government elected not to renew the Supplementary Local Road Funding program to South Australia. The Supplementary Local Road Funding program was provided from 2004-05 to 2013-14, providing \$135.4 million to Local Governing Authorities in South Australia.
- *April 2015* – the Commission revised its business rules applied to valuation data provided by the SA Land Services Group following the launch of the new South Australian Integrated Land Information System (SAILIS).
- *May 2015* – the Commission completed its assessment of the Recommendations of the Methodology Review conducted by KPMG.
- *June 2015* – the Australian Government announced that in addition to the standard Roads to Recovery funding program running from 2014-15 to 2018-19, an additional \$1.105 billion would be provided to Local Governing Authorities during 2015-16 and 2016-17 as a result of the re-introduction of indexation of the Federal Fuel Excise.
- *June 2015* - approximately two quarters of the 2015-16 Financial Assistance Grants were brought forward by the Commonwealth and paid in 2014-15. Allocation of the early payment of the 2015-16 grants was based on the 2014-15 distribution.

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

85 percent of the pool (\$34 million) was distributed to councils based on the approved distribution of the 2018-19 Identified Local Road Grants and 15 percent (\$6 million) was held by the Commission at the Local Government Finance Authority to be allocated as part of the 2019-20 and 2020-21 allocations of the Special Local Roads Program.

APPENDIX VII – 2017-18 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 2017-18 General Information, Supplementary Returns and their Audited Financial Statements by the due date of 30 November 2018 and thereby facilitated the timely determination of grants.

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

APPENDIX VIII - Financial Statements 2018-19

SOUTH AUSTRALIAN LOCAL GOVERNMENT GRANTS COMMISSION

Financial Statements

For the Year Ended 30 June 2019

South Australian Local Government Grants Commission
Statement of Comprehensive Income
for the year ended 30 June 2019

	Note No	2019 \$'000	2018 \$'000
Expenses			
Employee benefit expenses	2.3	317	293
Supplies and services	3.1	121	129
Total Expenses		438	422
Income			
Interest revenue	4.2	23	27
Total Income		23	27
Net cost of providing services		(415)	(395)
Revenues from (payments to) SA Government			
Revenues from SA Government	4.1	450	447
Net Revenues from SA Government		450	447
Net Result		35	52
Total comprehensive result		35	52

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 2019

	Note No	2019 \$'000	2018 \$'000
Current assets			
Cash	5.1	1 345	1 277
Receivables	5.2	2	1
Total Current Assets		1 347	1 278
Total Assets		1 347	1 278
Current liabilities			
Payables	6.1	27	15
Employee benefits	2.5	38	30
Total Current Liabilities		65	45
Non-current liabilities			
Payables	6.1	11	11
Employee benefits	2.5	124	110
Total Non-Current Liabilities		135	121
Total Liabilities		200	166
Net assets		1 147	1 112
Equity			
Retained earnings		1 147	1 112
Total Equity		1 147	1 112

Total equity is attributable to the SA Government as owner.

Unrecognised contractual commitments	7.1
Contingent assets and liabilities	7.2

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 2019

	Retained Earnings \$'000	Total Equity \$'000
Balance at 30 June 2017	1 060	1 060
Net result for 2017-18	52	52
Total Comprehensive Result for 2017-18	52	52
Balance at 30 June 2018	1 112	1 112
Net result for 2018-19	35	35
Total Comprehensive Result for 2018-19	35	35
Balance at 30 June 2019	1 147	1 147

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 2019

	Note No	2019 \$'000 Inflows (Outflows)	2018 \$'000 Inflows (Outflows)
Cash flows from operating activities			
Employee benefit payments		(293)	(307)
Supplies and services		(111)	(128)
Cash used in Operations		(404)	(435)
Cash inflows			
Interest received		22	27
Cash generated from Operations		22	27
Cash flows from SA Government			
Receipts from SA Government		450	447
Cash Generated from SA Government		450	447
Net Cash provided by / (used in) Operating Activities		68	39
Net (decrease) / increase in cash			
Cash at 1 July		1 277	1 238
Cash at 30 June	5.1	1 345	1 277

SOUTH AUSTRALIAN LOCAL GOVERNMENT GRANTS COMMISSION

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

For the Year Ended 30 June 2019

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South Australian Local Government Grants Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2019

1. About the Local Government Grants Commission

The South Australian Local Government Grants Commission (the Commission) is responsible for making recommendations to the Minister for 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.

1.1. Basis of Preparation

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

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards (Reduced Disclosure Requirements)

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

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

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

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

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

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

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

1.2. Objectives and programs

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

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

The Commission distributes Commonwealth financial assistance grants to local governing authorities in South Australia in accordance with State and Federal legislative requirements. The 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 9.

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

1.3. Significant transactions with government related entities

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.

2. Board, committees and employees

2.1. Key Management Personnel

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

Total compensation for the Commission's key management personnel was \$176 370 (\$179 908). 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*.

Transactions with Key Management Personnel and other related parties

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

2.2. Remuneration of Commission Members

Members during the 2019 financial year were:

Burgess D J (appointed 23/05/2017)
 Green B (appointed 31/01/2019)
 McEwen R J (resigned 08/05/2019)
 Patetsos M (appointment ended 15/11/2018)

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

	2019	2018
	Number	Number
\$1 - \$19 999	4	2
\$20 000 - \$39 999	-	1
Total number of members	4	3

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 \$49 000 (\$54 000).

2.3. Employee Benefit Expenses

	2019	2018
	\$'000	\$'000
Salaries and wages	185	173
Annual Leave	25	18
Long service leave	12	8
Skills and experience retention leave	-	5
Employment on-costs	48	37
Commission fees	45	50
Other employee related expenses	2	2
Total Employee Benefits Expense	317	293

Targeted Voluntary Separation Packages (TVSPs)

No employees were paid TVSPs during the period 1 July 2018 to 30 June 2019.

2.4. Remuneration of employees

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

2.5. Employee Benefits Liability

	2019 \$'000	2018 \$'000
Current:		
Annual leave	16	11
Long service leave	15	12
Skills and experience retention leave	2	2
Accrued salaries and wages	5	5
Total Current Employee Benefits	38	30
Non-Current:		
Long service leave	124	110
Total Non-Current Employee Benefits	124	110
Total Employee Benefits	162	140

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

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

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

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

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

Long service leave

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

3. Expenses

3.1. Supplies and Services

	2019 \$'000	2018 \$'000
Service Level Agreement	74	72
Information technology	22	22
Auditor's remuneration	11	11
Travel	7	11
Other	5	11
Other service contracts	2	2
Total Supplies and Services	121	129

4. Income

4.1. Net revenues from SA Government

	2019 \$'000	2018 \$'000
Revenue from SA Government	450	447
Total Revenues from SA Government	450	447

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

4.2. Interest Revenue

	2019 \$'000	2018 \$'000
Interest from the Department of Treasury and Finance	23	27
Total Interest Revenue	23	27

5. Financial Assets

5.1. Cash

	2019 \$'000	2018 \$'000
Deposits at call with the Treasurer	1 345	1 277
Total Cash	1 345	1 277

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

5.2. Receivables

	2019 \$'000	2018 \$'000
Current:		
Accrued Interest on deposits	2	1
Total Current Receivables	2	1
Total Receivables	2	1

6. Liabilities

6.1. Payables

	2019 \$'000	2018 \$'000
Current:		
Creditors	-	1
Accrued expenses	22	11
Employment on-costs	5	3
Total Current Payables	27	15
Non-Current:		
Employment on-costs	11	11
Total Non-Current Payables	11	11
Total Payables	38	26

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 with respect to outstanding liabilities for salaries and wages and associated 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 payable outstanding at reporting date relates to any contributions due but not yet paid.

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 remained unchanged from the 2018 rate of 41% and the average factor for the calculation of employer superannuation cost on-cost has changed from the 2018 rate of 9.9% to 9.8%. These rates are used in the employment on-cost calculation. The estimated impact on 2019 and 2020 is not expected to be material.

7. Outlook

7.1. Unrecognised Contractual Commitments

	2019 \$'000	2018 \$'000
Within one year	76	74
Later than one year but not later than five years	78	154
Total commitments	154	228

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

The commitment relates to a service agreement.

7.2. Contingent Assets and Liabilities

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

The Commission is not aware of any contingent assets or liabilities as at 30 June 2019.

7.3. Events After the Reporting Period

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

8. Measurement and risk

8.1. Long service leave liability – measurement

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

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

AASB 119 Employee Benefits requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has decreased from the 2018 rate of 2.5% to 1.25% in 2019.

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

The net financial effect of the changes in the current financial year is an increase in the long service leave liability of \$0.011 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions – a key assumption is the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability. As a result there is no 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.

8.2. Fair value

All financial assets and liabilities are carried at cost and are current for 2019 and 2018.

8.3. Financial Instruments

Financial risk management

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

Liquidity risk

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

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

9. Disclosures of Administered Items

Statement of Administered Comprehensive Income

	2019	2018
	\$'000	\$'000
Administered Commonwealth Revenues		
Commonwealth Financial Assistance Grants	163 418	158 075
Commonwealth Roads to Recovery Grants	5 929	7 015
Supplementary Local Road Funding Grants	60 000	20 000
Total Administered Revenues - Commonwealth receipts	229 347	185 090
Administered Commonwealth Expenditure Grants		
Commonwealth Financial Assistance Grants	163 418	158 075
Commonwealth Roads to Recovery Grants	5 929	7 015
Supplementary Local Road Funding Grants	54 000	20 000
Total Administered Expenses - Commonwealth payments	223 347	185 090
Total Administered Comprehensive Result	6 000	-

Statement of Administered Financial Position

	2019	2018
	\$'000	\$'000
Assets		
Cash*	6 000	-
Total Assets	6 000	-
Equity		
Retained Earnings	6 000	-
Total Equity	6 000	-

Statement of Administered Cash Flows

	2019	2018
	\$'000	\$'000
Cash Flows from Operating Activities		
Cash Outflows		
Supplementary Local Road Funding Grants	223 347	185 090
Cash used in Operations	223 347	185 090

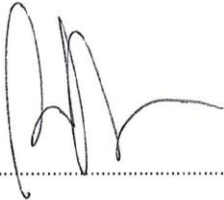
Cash Inflows		
Commonwealth Supplementary Local Road Funding Grants	229 347	185 090
Cash generated from Operations	229 347	185 090
Net cash provided by/(used in) operating activities		
Net increase (decrease) in cash held	6 000	-
Cash 1 July	-	-
Cash 30 June*	6 000	-

*Funds for the Supplementary Local Road Funding Grants program were transferred to the Local Government Financing Authority as at 30 June 2019 and are yet to be disbursed to grant funding recipients.

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 cash flows for the financial year.
- Internal controls employed by the South Australian Local Government Grants Commission over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.


.....

Peter Ilee
Executive Officer
South Australian Local Government
Grants Commission

27 September 2019


.....

Bruce Green
Presiding Member
South Australian Local Government
Grants Commission

27 September 2019

INDEPENDENT AUDITOR'S REPORT

Government of South Australia
Auditor-General's Department

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To the Presiding Member
South Australian Local Government Grants Commission

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 (the Commission) for the financial year ended 30 June 2019.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Commission as at 30 June 2019, 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 2019
- a Statement of Financial Position as at 30 June 2019
- a Statement of Changes in Equity for the year ended 30 June 2019
- a Statement of Cash Flows for the year ended 30 June 2019
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Presiding Member and the Executive Officer.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Commission. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants* 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 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 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, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Officer
- 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 the members of the Commission about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson

Auditor-General

30 September 2019