



South Australian Local Government Grants Commission

2019-20 Annual Report

South Australian Local Government Grants Commission

Level 3, 77 Grenfell Street, ADELAIDE SA 5000

https://www.dpti.sa.gov.au/local_govt/LGGC

Contact phone number (08) 7109 7164

Contact email grants.commission@sa.gov.au

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

As Chair of the South Australian Local Government Grants Commission, appointed under the *South Australian Local Government Grants Commission Act 1992*, I have pleasure in presenting you with the Commission's Annual Report for 2019-20.

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 2020

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 (FA Grants) to local governing authorities in South Australia. Recommendations are made in accordance with the Commonwealth *Local Government (Financial Assistance) Act 1995* (the Act).

In 2019-20, the Commission made recommendations on the distribution of FA Grants for 2020-21 totalling \$165.2 million. Of this, \$122 million was provided for general purpose grants and \$43.2 million provided for identified local road grants. This represents an increase in general purpose grants from the previous year of 0.04 percent and an increase in identified road grants of 1.13 percent, an overall increase of 0.32 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 6.96 percent in 2019-20 to an estimated 6.88 percent of the pool of available funding for 2020-21.

For 2020-21, the bushfires of the summer of 2019-20 and the COVID-19 crisis have had a significant impact on the increase in the pool of FA Grants across the country. This is mainly due to a significant reduction in the increase of the Consumer Price Index. As a result of these impacts, general purpose grants provided to around half of all of all South Australian local governing authorities have been held to the same level as 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. 85 percent or \$34 million of the Supplementary Local Road Funding for 2019-20 and 2020-21 was paid to South Australia as a brought forward payment in June 2019 and 15 percent was distributed each year as part of the Special Local Roads Program in accordance with the approved recommendations of the Commission.

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

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

Information collected by the Commission is provided to the Local Government Association (LGA), the 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 2019-20.

In keeping with progressive updates made in previous years, the Commission's Supplementary Return was again reviewed in 2019-20 to ensure that it mirrors the Model Financial Statements used by the local government sector.

2018-19 also saw further change to the membership of the Commission. The Commission's Chair, Mr Bruce Green, and Commissioner Dave Burgess were joined by Commissioner Wendy Campana in September 2019. Wendy is the nominee of the Minister for Transport, Infrastructure and Local Government.

The Commission also continued its work in a separate role as the Local Government Boundaries Commission (the Boundaries Commission) during 2019-20. The Boundaries Commission received a number of enquiries regarding potential boundary change proposals and provided feedback to a number of councils and members of the public.

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 FA Grants.

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

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

The Commission is also the body responsible for undertaking the assessment of proposals, oversee investigations and making recommendations to the Minister for Transport, Infrastructure and 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 FA Grants are independent of the South Australian Government's Objectives.

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

Agency Programs and Initiatives and their Effectiveness and Efficiency

Special Local Roads Program

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

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

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

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

The current Panel comprises Mayor Keith Parkes, (Alexandrina Council), as Chairperson, Mr Mike Wilde (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 2020-21, \$6.486 million will be allocated to specific projects under the FA Grants program, \$6.075 million from the Special Local Roads component of the Roads to Recovery Grants and \$3.025 million from the Supplementary Local Road Funding program. A total of \$15,586,500 million will be allocated to 35 projects across the State for 2019-20. Of these projects, 13 projects will be undertaken in metropolitan councils and 22 projects will be undertaken in rural and regional councils.

Legislation Administered by the Agency

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

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

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

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

Organisation of the Agency

Members

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

Members during 2019-20 were:

- 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;
- Mayor Dave Burgess, Commissioner from 23 May 2017 to 22 November 2020, nominee of the Local Government Association; and
- Ms Wendy Campana, Commissioner from 5 September 2019 to 4 September 2022, nominee of the Minister for Transport, Infrastructure and Local Government.

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 Senior Administration Officer, currently vacant.

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 2019-20 is provided below:

Meeting Date	Meeting Participants
16 July 2019	<p>Commissioners Mr Bruce Green (C) and Mayor Dave Burgess.</p> <p>Attendees Mr Peter Ilee (EO), Mr Alex Sgro and Ms Fiona Mitchell. <i>Apologies:</i> Ms Alex Hart (Director, OLG) and Ms Fiona Mitchell).</p>
22 August 2019	<p>Commissioners Mr Bruce Green (C) and Mayor Dave Burgess.</p> <p>Attendees Mr Peter Ilee (EO), Ms Alex Hart (Director, OLG), Mr Alex Sgro, Mr David Whiterod (Team Leader, LGPU) and Ms Fiona Mitchell. <i>Special Guest:</i> Mr Mike Burdett (Surveyor-General)</p>
12 September 2019	<p>Commissioners Mr Bruce Green (C) and Mayor Dave Burgess.</p> <p>Attendees Mr Peter Ilee (EO), Ms Alex Hart (Director, OLG), Mr Alex Sgro and Ms Fiona Mitchell.</p>
11 October 2019	<p>Commissioners Mr Bruce Green (C), Mayor Dave Burgess and Ms Wendy Campana.</p> <p>Attendees Mr Peter Ilee (EO) <i>Apologies:</i> Ms Alex Hart (Director, OLG), Mr Alex Sgro and Ms Fiona Mitchell.</p>
14 November 2019	<p>Commissioners Mr Bruce Green (C), Mayor Dave Burgess and Ms Wendy Campana.</p> <p>Attendees Mr Peter Ilee (EO), Ms Alex Hart (Director, OLG), Mr Alex Sgro and Ms Fiona Mitchell. <i>Special Guests:</i> Mr Keith Parkes and Mr Lea Bacon (LGTAP)</p>
20 January 2020	<p>Commissioners Mr Bruce Green (C), Mayor Dave Burgess and Ms Wendy Campana.</p> <p>Attendees Ms Alex Hart (Director, OLG), Mr Alex Sgro and Ms Carole Weedon. <i>Apologies:</i> Mr Peter Ilee (EO)</p>
13 February 2020	<p>Commissioners Mr Bruce Green (C), Mayor Dave Burgess and Ms Wendy Campana.</p> <p>Attendees Mr Peter Ilee (EO), Ms Alex Hart (Director, OLG), Mr Alex Sgro and Ms Carole Weedon.</p>

Meeting Date	Meeting Participants
29 April 2020 (Teams Meeting)	<p>Commissioners Mr Bruce Green (C), Mayor Dave Burgess and Ms Wendy Campana.</p> <p>Attendees Mr Peter Ilee (EO), Ms Alex Hart (Director, OLG) and Mr Alex Sgro.</p>
20 May 2020 (Teams Meeting)	<p>Commissioners Mr Bruce Green (C), Mayor Dave Burgess and Ms Wendy Campana.</p> <p>Attendees Mr Peter Ilee (EO), Ms Alex Hart (Director, OLG) and Mr Alex Sgro.</p>
12 June 2020	<p>Commissioners Mr Bruce Green (C), Mayor Dave Burgess and Ms Wendy Campana.</p> <p>Attendees Mr Peter Ilee (EO), Ms Alex Hart (Director, OLG) and Mr Alex Sgro.</p>

(C) Denotes Chair (or Presiding Member).

(EO) Denotes Commission's Executive Officer

Boundaries Commission Meetings

The Commission and its staff generally meet on a monthly basis and at other times, as required. A summary of Boundaries Commission meetings held during 2019-20 is provided below:

Meeting Date	Meeting Participants
16 July 2019	<p>Commissioners Mr Bruce Green (C) and Mayor Dave Burgess.</p> <p>Attendees Mr Peter Ilee (EO), Ms Alex Hart (Director, OLG), Mr David Whiterod and Ms Fiona Mitchell. <i>Apologies: Mr Thomas Rossini</i></p>
12 September 2019	<p>Commissioners Mr Bruce Green (C) and Mayor Dave Burgess.</p> <p>Attendees Mr Peter Ilee (EO), Ms Alex Hart (Director, OLG), Mr David Whiterod and Ms Fiona Mitchell. <i>Apologies: Mr Thomas Rossini</i></p>
21 October 2019	<p>Commissioners Mr Bruce Green (C), Mayor Dave Burgess and Ms Wendy Campana.</p> <p>Attendees Mr Peter Ilee (EO), Ms Alex Hart (Director, OLG), Mr David Whiterod and Mr Thomas Rossini. <i>Apologies: Ms Fiona Mitchell.</i></p>
14 November 2019	<p>Commissioners Mr Bruce Green (C), Mayor Dave Burgess and Ms Wendy Campana.</p> <p>Attendees Mr Peter Ilee (EO), Ms Alex Hart (Director, OLG), Mr David Whiterod, Mr Thomas Rossini and Ms Fiona Mitchell.</p>

Meeting Date	Meeting Participants
20 January 2020	<p>Commissioners Mr Bruce Green (C), Mayor Dave Burgess and Ms Wendy Campana.</p> <p>Attendees Ms Alex Hart (Director, OLG), Mr Thomas Rossini and Ms Carole Weedon. <i>Apologies: Mr Peter Ilee (EO) and Mr David Whiterod (Team Leader LGPU).</i></p>
13 February 2020	<p>Commissioners Mr Bruce Green (C), Mayor Dave Burgess and Ms Wendy Campana.</p> <p>Attendees Mr Peter Ilee (EO), Ms Alex Hart (Director, OLG), Mr David Whiterod (Team Leader LGPU), Mr Thomas Rossini and Ms Carole Weedon.</p>
20 May 2020 (Teams Meeting)	<p>Commissioners Mr Bruce Green (C), Mayor Dave Burgess and Ms Wendy Campana.</p> <p>Attendees Mr Peter Ilee (EO), Ms Alex Hart (Director, OLG), Mr Thomas Rossini.</p>
11 June 2020	<p>Commissioners Mr Bruce Green (C), Mayor Dave Burgess and Ms Wendy Campana.</p> <p>Attendees Mr Peter Ilee (EO), Ms Alex Hart (Director, OLG), Mr Thomas Rossini.</p>

Member Profiles

Mr Bruce Green

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.

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.

Ms Wendy Campana

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

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 2019-20.

Fraud Detection in the Agency

There has been no fraud detected in any of the Commission's activities during 2019-20. 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 FA 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 2019-20.

Executive Employment in the Agency

There was no Executive Employment within the Commission during 2019-20.

Consultants and Contractors

The Commission engaged the services of Rex Mooney (RMBAS Local Government Finance Specialist) for consulting services during 2019-20. The value of these services was under \$5,000.

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

Financial Performance of the Agency and Other Financial Information

The Commission's 2019-20 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 2019-20.

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

From 1 January 2019, the South Australian Local Government Grants Commission commenced its responsibilities as the body responsible for the assessment of boundary change proposals, to oversee investigations and make recommendations to the Minister for 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 2020-21 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 2020-21 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 provided a funding boost to South Australia.

Entitlements for all States for 2019-20 and for 2020-21 are set out in Tables 1 and 2 below.

TABLE 1 - Commonwealth General Purpose Financial Assistance for Local Government, State and Territory Entitlements 2019-20 and 2020-21

State	2019-20				
	Proportion (based on actual) (%)	Original Allocation (Estimate) (\$mill)	Adjustment (\$mill)	Brought Fwd Pmt from 2020-21 (\$mill)	Actual Allocation (\$mill)
New South Wales	31.96	561.53	(1.21)	291.68	560.31
Victoria	25.86	455.58	(2.23)	238.48	453.35
Queensland	20.05	352.56	(1.00)	183.61	351.56
Western Australia	10.39	181.90	0.34	93.90	182.24
South Australia	6.96	121.61	0.34	62.75	121.95
Tasmania	2.12	37.08	0.04	19.21	37.12
Northern Territory	0.99	17.18	0.10	8.78	17.28
Australian Capital Territory	1.68	29.60	(0.13)	15.42	29.47
TOTAL	100.00	1,757.05	(3.75)	913.83	1,753.29

State	2020-21				\$ Change 2019-20 to 2020-21 (\$)	% Change 2019-20 to 2020-21 (%)
	Proportion (based on estimates) (%)	Allocation (Estimate) (\$mill)	Brought Fwd Pmt Pmt Paid in 2019-20 (\$mill)	Allocation Plus Brought Fwd Pmt (\$mill)		
New South Wales	31.89	273.76	291.68	565.44	5,127,952	0.92
Victoria	26.08	223.99	238.48	462.46	9,111,989	2.01
Queensland	20.10	172.76	183.61	356.38	4,816,816	1.37
Western Australia	10.31	88.88	93.90	182.77	532,305	0.29
South Australia	6.88	59.24	62.75	121.99	45,953	0.04
Tasmania	2.10	18.08	19.21	37.29	171,200	0.46
Northern Territory	0.96	8.24	8.78	17.02	(261,578)	(1.51)
Australian Capital Territory	1.68	14.39	15.42	29.82	343,587	1.17
TOTAL	100.00	859.35	913.83	1,773.18	19,888,224	1.13

TABLE 2 - Commonwealth Identified Local Road Grants for Local Government, State and Territory Entitlements 2019-20 and 2020-21

State	2019-20				
	Proportion (based on actual) (%)	Original Allocation (Estimate) (\$mill)	Adjustment (\$mill)	Brought Fwd Pmt from 2020-21 (\$mill)	Actual Allocation (\$mill)
New South Wales	29.01	226.20	(0.48)	117.65	225.72
Victoria	20.62	160.74	(0.34)	83.60	160.39
Queensland	18.74	146.08	(0.31)	75.97	145.77
Western Australia	15.29	119.21	(0.25)	62.00	118.96
South Australia	5.50	42.85	(0.09)	22.28	42.76
Tasmania	5.30	41.32	(0.09)	21.49	41.23
Northern Territory	2.34	18.26	(0.04)	9.50	18.22
Australian Capital Territory	3.21	25.00	(0.05)	13.00	24.95
TOTAL	100.00	779.65	(1.66)	405.49	777.99

State	2020-21				\$ Change 2019-20 to 2020-21 (\$)	% Change 2019-20 to 2020-21 (%)
	Proportion (based on estimates) (%)	Allocation (Estimate) (\$mill)	Brought Fwd Pmt Pmt Paid in 2019-20 (\$mill)	Allocation Plus Brought Fwd Pmt (\$mill)		
New South Wales	29.01	110.63	117.65	228.28	2,560,406	1.13
Victoria	20.62	78.61	83.60	162.21	1,819,395	1.13
Queensland	18.74	71.45	75.97	147.42	1,653,480	1.13
Western Australia	15.29	58.30	62.00	120.30	1,349,353	1.13
South Australia	5.50	20.96	22.28	43.24	484,993	1.13
Tasmania	5.30	20.21	21.49	41.70	467,661	1.13
Northern Territory	2.34	8.93	9.50	18.43	206,725	1.13
Australian Capital Territory	3.21	12.23	13.00	25.23	281,152	1.13
TOTAL	100.00	381.32	405.49	786.81	8,823,165	1.13

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 2020-21 allocations there were 68 councils, five Aboriginal Communities and the Outback Communities Authority eligible for grants.

National Principles, General Purpose & Road Grants

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

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

General Purpose National Principles

(i) Horizontal Equalisation

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

(ii) Effort Neutrality

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

(iii) Minimum Grant

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

(iv) Other Grant Support

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

(v) Aboriginal Peoples and Torres Strait Islanders

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

(vi) Council Amalgamation

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

Identified Road Component National Principle

(vii) Identified Road Component

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

Local Government (Boundary Adjustment) Amendment Act 2017

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

The 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.

One request under the *Freedom of Information Act 1991* was received in 2019-20. 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 FA Grants to local governing authorities in South Australia. Consequently the Commission's decision making in relation to the FA Grants has no direct effect on members of the public.

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

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

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

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

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

Categories of Documents

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

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

Information is stored both electronically and on hard copy.

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

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

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

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

Facilities for Access and Initial Contact Point

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

	The Executive Officer
	Local Government Grants Commission
	Level 3
	77 Grenfell Street
	ADELAIDE SA 5000
Postal Address	GPO Box 2329
	ADELAIDE SA 5001
Telephone	(08) 7109 7164
E-mail	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. Final grants provided to eligible bodies are allocated as a proportion of the final pool of available funding.

The South Australian Local Government Grants Commission uses a direct assessment approach to the calculations. This involves the separate estimation of a component revenue 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 determine each council's total raw grant. Any council whose raw calculation per head is less than the per capita figure, (\$20.89 for 2020-21), then has the per capita figure applied. The balance of the pool of funding is then allocated to the remaining councils based on their calculated proportion of the raw grant.

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

In the calculation of the 2020-21 grants, the Commission constrained changes to grants between minus 10% and positive 20%. 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 and assessed 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, Wharves, Marinas and Boat Ramps	Reported expenditures ¹	Number of jetties, wharves, marinas and boat ramps
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
Airports and Authorised Landing Areas	Reported Expenditures ¹	Number of airports and authorised landing areas
Other Needs Assessments	Set at 1.00.	Based on Commission determined relative expenditure needs in a number of areas 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 = 1745812

Function	Standard in Dollars	Unit of Measure per Capita	Total Units of Measure	Unit of Measure
Expenditure Functions				
Waste Management	178.60	0.47658	825,036	No of residential, rural and commercial (shop) properties
Aged Care Services	138.73	0.18433	319,112	Population aged more than 65
Services To Families And Children	71.43	0.17678	306,031	Population aged 0 to 14
Health Inspection	523.93	0.01243	21,513	Establishments to inspect
Libraries	71.81	1.00846	1,745,812	Estimated Resident Population
Sport, Recreation & Culture	309.26	0.75784	1,311,940	Population aged 5 to 49
Sealed Roads - Built Up	13,166.23	0.00633	10,951	Kilometres of sealed builtup
Sealed Roads - Non Built Up	13,166.23	0.00462	7,990	Kilometres of sealed non-builtup
Sealed Roads - Footpaths etc	18,692.70	0.00633	10,951	Kilometres of sealed builtup
Unsealed Roads - Built Up	1,987.58	0.00038	664	Kilometres of formed and surfaced, and natural surface formed builtup road
Unsealed Roads - Non Built Up	1,987.58	0.02677	46,342	Kilometres of formed and surfaced, and natural surface formed non-builtup road
Roads - Unformed	419.85	0.00508	8,791	Kilometres of natural surfaced unformed road
Stormwater Drainage - Maintenance	96.82	0.46400	803,256	No of urban, industrial and commercial properties including exempt
Community Support	54.75	0.99999	1,731,156	3yr average population * SEIFA Advantage Disadvantage CRI
Jetties, Wharves, Marinas & Boat Ramps	11,069.59	0.00014	236	No of jetties, wharves, marinas & boat ramps
Public Order and Safety	29.30	0.55103	953,919	Total no of properties
Planning & Building Control	2,245.76	0.02429	42,044	No of new developments and additions
Bridges	11,512.63	0.00040	699	No of bridges
Environment & Coastal Protection	20.98	1.00846	1,745,812	Estimated Resident Population
Airports & Authorised Landing Areas	63,937.00	0.00003	59	No of Airports & Authorised Landing Areas
Other Special Needs	1.00	18.96517	32,831,900	Total of dollars attributed
Revenue Functions				
Rates - residential	0.0036	171,935	297,338,586,498	Valuation of residential
- commercial	0.0065	22,750	39,383,932,519	Valuation of commercial
- industrial	0.0078	3,572	6,183,920,514	Valuation of industrial
- rural	0.0034	23,538	40,146,018,322	Valuation of rural
- other	0.0041	7,104	12,298,386,031	Valuation of other
Subsidies	1.00	30.71388	53,170,881	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 *CRs* are applicable then they must be included as a multiplier against the council's unit of measure per capita.

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

Aggregated Revenue and Expenditure Grants

Component grants for all revenue categories and expenditure functions, calculated for each council using the method outlined above, are aggregated to give each council's total raw grant figure. Where the raw grant calculation per head of population for a council is less than the per capita minimum established as set out in the Act, (\$20.89 for 2020-21), 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 2020-21 grants, the Commission constrained changes between minus 10% and positive 20%.

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 2020-21 per capita general purpose grant is \$527.17.

General purpose grants for the Outback Communities Authority were held to the same level as the actual grant for 2019-20, reflecting the very small 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 2020-21, the per capita grant allocated to Aboriginal Communities varied from \$213.30 for Gerard Community to \$1,523.94 for Maralinga Tjarutja Community.

For 2020-21, general purpose grants for four of the five Aboriginal communities were also held to the same level as the actual grant for 2019-20, reflecting the very small increase in the pool of General Purpose Grants for South Australia.

CHAPTER 3 – GRANTS COMMISSION ACTIVITIES 2019-20

Grant Allocation

The total 2019-20 allocation of \$164,458,422 was increased following the end of the financial year by \$245,386 after adjustments by the Australian Government to account for final population estimates and changes in the Consumer Price Index.

The increase will be passed on to councils in the four quarterly instalments during 2020-21. The actual allocation figure, which includes the adjusted 2019-20 allocations, is shown in *Chapter 4*.

For 2020-21, the Commission made recommendations on the distribution of \$165,234,754, 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 2020-21 are \$121,994,089, an increase of 0.04 percent over 2019-20. The Identified Local Road Grants are \$43,240,665, an increase of 1.13 percent over 2019-20.

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 2019 were used in the calculation of the 2020-21 FA Grants. An updated list of road lengths can be found in *Appendix V - Units of Measure - Expenditure*.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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, Transport, Regional Development and Communications;
- The Australian Bureau of Statistics; and
- The South Australian Productivity Commission.

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

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

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

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 2019-20, the Commission continued with its visiting program up until the introduction of the COVID-19 travelling and meeting restrictions. The Commission attended 11 meetings at the councils listed below. In addition to these meetings, the Commission's Executive Officer met with Chief Executive Officers, Finance Managers and other council staff to discuss methodological issues and grant allocations.

<p>Visited in August 2019 Mount Barker District Council</p>	<p>Visited in October 2019 District Council of Elliston District Council of Lower Eyre Peninsula City of Port Lincoln District Council of Tumby Bay</p>	<p>Visited in February 2020 Coorong District Council Kingston District Council Naracoorte Lucindale Council Tatiara District Council District Council of Robe</p>
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Submissions Made to the Grants Commission by Councils

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

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

September 2019 – Wakefield Council

- Road Funding Formula for South Australia.

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 2019-20.

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 methodology issues raised in the last year, including an assessment of the impacts of non-resident ratepayers on council's capacity to provide services and the impacts of population dispersion.

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 2020-21 and respond to changes in grant funding in line with the National Principles as necessary.

The Commission will also look to resume its council visiting program in 2020-21 in line with the advice of the Department and SA Health regarding appropriate meeting protocols. These sessions provide a unique opportunity to discuss the grant allocation process. The Commission values the chance to brief councils on methodology details, and to hear about specific issues facing Council and the Community.

CHAPTER 4 – BOUNDARIES COMMISSION ACTIVITIES 2019-20

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

Minor changes were made to Guideline 3 during 2019-20, to remove the need for consultation to be provided as part of the Stage 2 Boundary Change Proposal. Details of the changes can be viewed on via the above link.

Guidelines

The current guidelines are set out as follows:

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

Proposals

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 2020.

These proposals were submitted by the following;

1. Adelaide Development Company
2. City of Burnside
3. The Barossa Council
4. Town of Gawler
5. Light Regional Council
6. Mr Dale Morphett

CHAPTER 5 – FINANCIAL ASSISTANCE GRANTS - ALLOCATIONS

Estimated Grant Allocations for 2020-21

Local Government Authority	Population as at 30 June 2019	General Purpose Grant (\$)	Identified Local Road Grant (\$)	Special Local Road Grant (\$)	Total Estimated Grant (\$)
Adelaide	25,456	531,776	274,906	595,000	1,401,682
Adelaide Hills	39,977	835,120	746,084		1,581,204
Adelaide Plains	9,137	1,179,306	282,849		1,462,155
Alexandrina	27,427	969,925	649,287		1,619,212
Barossa	25,021	896,510	518,229		1,414,739
Barunga West	2,563	302,101	215,710		517,811
Berri Barmera	10,842	2,341,102	229,765	166,000	2,736,867
Burnside	45,816	957,096	517,749		1,474,845
Campbelltown	52,192	1,090,291	572,662	445,000	2,107,953
Ceduna	3,442	1,954,871	475,879		2,430,750
Charles Sturt	118,943	2,484,719	1,306,946		3,791,665
Clare & Gilbert Valleys	9,424	850,965	422,071		1,273,036
Cleve	1,792	1,041,992	427,004		1,468,996
Cooper Pedy	1,834	812,844	51,898		864,742
Coorong	5,429	2,323,455	710,779		3,034,234
Copper Coast	15,010	1,709,879	356,395		2,066,274
Elliston	1,008	711,702	443,126		1,154,828
Flinders Ranges	1,692	1,172,331	324,181		1,496,512
Franklin Harbour	1,304	997,823	236,411		1,234,234
Gawler	24,416	1,484,302	349,599		1,833,901
Goyder	4,190	2,460,485	663,486		3,123,971
Grant	8,584	1,443,777	365,365	187,000	1,996,142
Holdfast Bay	37,435	782,017	398,763		1,180,780
Kangaroo Island	4,983	1,660,776	432,369		2,093,145
Karoonda East Murray	1,107	1,174,346	367,642		1,541,988
Kimba	1,065	977,444	326,771		1,304,215
Kingston	2,371	454,481	270,940		725,421
Light	15,359	528,833	452,064	588,000	1,568,897
Lower Eyre Peninsula	5,780	484,690	454,103	1,002,000	1,940,793
Loxton Waikerie	11,743	3,495,385	789,892		4,285,277
Marion	93,448	1,952,129	1,043,593		2,995,722
Mid Murray	9,094	3,262,023	710,866		3,972,889
Mitcham	67,474	1,409,532	817,192		2,226,724
Mount Barker	36,571	763,968	656,852		1,420,820
Mount Gambier	27,275	2,944,167	430,758	380,000	3,754,925
Mount Remarkable	2,909	1,611,585	398,742		2,010,327

Local Government Authority	Population as at 30 June 2019	General Purpose Grant (\$)	Identified Local Road Grant (\$)	Special Local Road Grant (\$)	Total Estimated Grant (\$)
Murray Bridge	22,495	3,421,396	529,129		3,950,525
Naracoorte Lucindale	8,555	2,701,731	521,683	300,000	3,523,414
Northern Areas	4,619	1,378,175	435,201		1,813,376
Norwood, Payneham & St Peters	37,056	774,257	385,820		1,160,077
Onkaparinga	172,938	5,542,925	2,560,331	28,000	8,131,256
Orroroo Carrieton	850	943,096	275,575		1,218,671
Peterborough	1,687	1,279,277	263,846		1,543,123
Playford	94,848	9,892,533	1,415,855		11,308,388
Port Adelaide Enfield	127,740	2,668,489	1,470,786	225,000	4,364,275
Port Augusta	13,862	2,724,290	300,997		3,025,287
Port Lincoln	14,718	1,455,347	237,330		1,692,677
Port Pirie	17,634	4,013,387	507,903		4,521,290
Prospect	21,520	449,553	217,991		667,544
Renmark Paringa	9,907	2,466,867	239,774	966,000	3,672,641
Robe	1,450	30,290	116,607		146,897
Roxby Downs	3,954	154,432	67,938		222,370
Salisbury	143,560	6,754,840	1,706,691	281,000	8,742,531
Southern Mallee	2,080	1,113,301	433,390		1,546,691
Streaky Bay	2,192	1,427,051	502,233		1,929,284
Tatiara	6,816	2,943,761	601,050	333,000	3,877,811
Tea Tree Gully	100,261	2,094,452	1,199,868		3,294,320
Tumby Bay	2,702	473,899	279,507		753,406
Unley	39,208	819,055	403,183	140,000	1,362,238
Victor Harbor	15,465	337,939	292,502		630,441
Wakefield	6,838	1,895,012	572,566		2,467,578
Walkerville	8,000	167,120	83,873	150,000	400,993
Wattle Range	12,041	2,788,891	583,421		3,372,312
West Torrens	60,842	1,270,989	660,490	400,000	2,331,479
Whyalla	21,665	4,123,992	403,797		4,527,789
Wudinna	1,300	1,194,341	428,679		1,623,020
Yankalilla	5,572	188,923	175,876	300,000	664,799
Yorke Peninsula	11,324	1,317,891	879,151		2,197,042
Outback Communities Authority	2,948	1,554,093	-		1,554,093
Anangu Pitjantjatjara	2,573	1,229,698	162,522		1,392,220
Gerard Community Council	225	47,992	21,652		69,644
Maralinga Tjarutja	64	97,532	58,146		155,678
Nipapanha Community Inc	86	30,785	21,559		52,344
Yalata Community Council	255	172,739	46,815		219,554
STATE TOTAL	1,751,963	121,994,089	36,754,665	6,486,000	165,234,754

Final Grant Allocations for 2019-20

Local Government Authority	2019-20 Actual General Purpose Grant \$	2019-20 Actual Road Grant \$	2019-20 Special Road Grant \$	2019-20 Total Actual Grant \$
Adelaide	522,365	273,248		795,614
Adelaide Hills	837,124	737,203		1,574,327
Adelaide Plains	1,179,306	278,540		1,457,846
Alexandrina	881,750	637,854		1,519,604
Barossa	815,009	510,867		1,325,876
Barunga West	335,667	212,711		548,378
Berri Barmera	2,341,102	228,249	428,000	2,997,351
Burnside	962,943	508,998		1,471,942
Campbelltown	1,084,360	563,941		1,648,301
Ceduna	1,974,618	470,219		2,444,837
Charles Sturt	2,473,029	1,286,558		3,759,587
Clare & Gilbert Valleys	834,279	416,261	128,500	1,379,040
Cleve	1,041,992	421,467		1,463,459
Cooper Pedy	812,844	51,509		864,353
Coorong	2,346,924	702,538		3,049,462
Copper Coast	1,705,324	351,134		2,056,458
Elliston	711,702	437,114		1,148,816
Flinders Ranges	1,172,331	320,115		1,492,446
Franklin Harbour	1,007,902	233,524		1,241,425
Gawler	1,484,302	342,494	854,000	2,680,796
Goyder	2,589,984	719,865		3,309,849
Grant	1,415,468	359,977		1,775,445
Holdfast Bay	780,198	394,181		1,174,378
Kangaroo Island	1,660,776	426,316		2,087,092
Karoonda East Murray	1,174,346	362,804		1,537,149
Kimba	977,444	322,564		1,300,008
Kingston	504,979	270,184		775,163
Light	440,695	446,886	720,000	1,607,581
Lower Eyre Peninsula	475,186	448,443	777,600	1,701,229
Loxton Waikerie	3,495,385	780,454		4,275,840
Marion	1,944,764	1,028,686		2,973,450
Mid Murray	3,262,023	700,325	750,000	4,712,349
Mitcham	1,416,901	808,035		2,224,936
Mount Barker	749,876	636,651		1,386,527
Mount Gambier	2,940,283	427,111		3,367,393
Mount Remarkable	1,611,585	393,239		2,004,824

Local Government Authority	2019-20	2019-20	2019-20	2019-20
	Actual	Actual	Special	Total
	General Purpose Grant	Road Grant	Road Grant	Actual Grant
	\$	\$	\$	\$
Murray Bridge	3,421,396	519,916		3,941,312
Naracoorte Lucindale	2,701,731	515,025	650,000	3,866,757
Northern Areas	1,378,175	428,958		1,807,133
Norwood, Payneham & St Peters	774,257	381,131		1,155,388
Onkaparinga	5,542,925	2,526,446	668,000	8,737,371
Orroroo Carrieton	943,096	271,961		1,215,056
Peterborough	1,292,199	260,645		1,552,844
Playford	9,892,533	1,391,092		11,283,625
Port Adelaide Enfield	2,657,122	1,447,219		4,104,342
Port Augusta	2,724,290	302,322		3,026,612
Port Lincoln	1,455,347	234,681		1,690,028
Port Pirie	4,013,387	502,887		4,516,274
Prospect	447,889	214,840		662,729
Renmark Paringa	2,466,867	237,212	975,000	3,679,079
Robe	30,422	115,075		145,497
Roxby Downs	140,393	68,442		208,834
Salisbury	6,754,840	1,685,903	107,900	8,548,643
Southern Mallee	1,113,301	428,180		1,541,481
Streaky Bay	1,427,051	496,110		1,923,161
Tatiara	2,943,761	594,856	175,000	3,713,617
Tea Tree Gully	2,100,374	1,186,850		3,287,224
Tumby Bay	498,841	275,620		774,461
Unley	824,715	399,865		1,224,580
Victor Harbor	331,312	287,255		618,568
Wakefield	1,895,012	564,308		2,459,320
Walkerville	167,365	82,914		250,279
Wattle Range	2,782,604	575,162	193,000	3,550,766
West Torrens	1,266,305	650,972		1,917,276
Whyalla	4,123,992	402,822		4,526,814
Wudinna	1,194,341	422,972		1,617,313
Yankalilla	157,436	172,693		330,129
Yorke Peninsula	1,387,256	866,977		2,254,233
Outback Communities Authority	1,554,093	-		1,554,093
Anangu Pitjantjatjara Yankunytjatjara	1,229,698	160,638		1,390,337
Gerard Cty Council	47,992	21,401		69,393
Maralinga Tjarutja	97,532	57,472		155,005
Nipapanha Community Inc.	30,785	21,309		52,094
Yalata Community Inc.	172,739	46,272		219,012
STATE TOTAL	121,948,136	36,328,672	6,427,000	164,703,808

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

In 2019-20, 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 2019

(Road length data includes laneways)

Council name	Sealed	Formed	Unformed	TOTAL
Adelaide	124	0	0	124
Adelaide Hills	615	396	7	1,019
Adelaide Plains	163	676	130	969
Alexandrina	562	791	27	1,379
Barossa	366	542	71	979
Barunga West	76	755	98	929
Berri Barmera	287	118	76	481
Burnside	242	5	0	247
Campbelltown	255	0	0	255
Ceduna	81	1378	257	1,715
Charles Sturt	588	0	0	588
Clare & Gilbert Valleys	245	1400	188	1,833
Cleve	114	1319	115	1,549
Cooper Pedy	32	146	259	438
Coorong	369	1520	1	1,890
Copper Coast	300	527	84	910
Elliston	67	951	136	1,155
Flinders Ranges	48	878	336	1,262
Franklin Harbour	86	664	37	787
Gawler	184	21	2	206
Goyder	167	2300	543	3,010
Grant	517	753	297	1,567
Holdfast Bay	178	1	0	178
Kangaroo Island	258	1054	51	1,363
Karoonda East Murray	130	1121	48	1,299
Kimba	100	979	636	1,716
Kingston	128	590	51	769
Light	207	1194	55	1,456
Lower Eyre Peninsula	148	1113	83	1,344
Loxton Waikerie	417	1690	199	2,305
Marion	475	0	0	475
Mid Murray	374	2056	976	3,407
Mitcham	408	5	1	414
Mount Barker	381	377	30	788
Mount Gambier	226	1	0	228
Mount Remarkable	113	1522	433	2,068

Council name	Sealed	Formed	Unformed	TOTAL
Murray Bridge	469	486	22	977
Naracoorte Lucindale	471	1112	36	1,618
Northern Areas	141	1788	274	2,203
Norwood, Payneham & St. Peter's	173	0	0	173
Onkaparinga	1304	207	3	1,514
Orroroo Carrieton	60	871	697	1,628
Peterborough	40	805	386	1,231
Playford	757	83	6	845
Port Adelaide Enfield	691	4	0	695
Port Augusta	197	123	92	412
Port Lincoln	153	6	2	161
Port Pirie	333	991	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	829	5	0	834
Southern Mallee	132	1057	144	1,332
Streaky Bay	102	1415	219	1,736
Tatiara	532	1163	226	1,922
Tea Tree Gully	581	10	6	597
Tumby Bay	60	921	98	1,080
Unley	170	0	0	170
Victor Harbor	259	134	3	396
Wakefield	211	2389	86	2,686
Walkerville	36	0	0	36
Wattle Range	537	1360	544	2,442
West Torrens	293	0	0	293
Whyalla	227	123	3	353
Wudinna	117	1248	322	1,686
Yankalilla	131	365	48	544
Yorke Peninsula	522	3138	239	3,899
TOTAL	19,031	47,125	8,821	74,976

APPENDIX II – Cost Relativity Indices - 2020-21 Financial Assistance Grants

	Sealed Built-up Roads	Sealed Non-Built- up Roads	Unsealed Built-up Roads	Unsealed Non-Built- up Roads	Unformed Roads	Waste Management	Stormwater Maintenance
Adelaide	1.02	0.96	1.00	1.00	1.00	0.98	0.99
Adelaide Hills	1.04	1.08	1.17	1.08	1.14	1.01	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	1.09	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	0.98	0.96
Campbelltown	1.25	0.96	1.00	1.00	1.00	0.99	0.95
Ceduna	0.89	0.95	1.01	1.01	1.00	1.03	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	1.06	0.92
Cleve	0.87	0.93	0.98	0.98	1.00	1.04	0.94
Cooper Pedy	0.90	0.95	0.98	0.98	1.00	1.11	0.84
Coorong	0.90	0.95	1.00	1.00	1.02	1.02	0.95
Copper Coast	0.87	0.93	0.98	0.98	1.00	1.04	0.92
Elliston	0.84	0.84	0.96	0.95	0.92	1.18	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	0.99	0.97
Goyder	0.89	0.91	0.99	0.99	1.00	1.08	0.89
Grant	0.88	0.87	0.98	0.94	0.93	1.05	0.96
Holdfast Bay	1.09	0.99	1.00	1.00	1.00	0.98	1.07
Kangaroo Island	0.94	0.99	1.00	1.03	0.99	1.10	0.91
Karoonda East Murray	0.87	0.91	0.98	0.98	0.99	1.08	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	1.00	0.95
Light	0.85	0.95	0.98	0.99	1.02	1.09	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	1.09	0.90
Marion	1.09	0.96	0.98	0.98	1.00	0.98	0.97
Mid Murray	1.05	1.08	1.09	1.03	1.02	1.11	0.88
Mitcham	1.12	0.99	0.94	0.98	1.01	0.99	0.96
Mount Barker	0.97	1.00	0.98	1.00	1.03	1.02	0.99
Mount Gambier	0.81	0.80	0.99	0.89	0.90	0.99	1.00
Mount Remarkable	0.89	0.93	0.99	0.99	0.99	1.06	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	1.03	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	0.99	0.95
Onkaparinga	1.00	1.05	0.98	1.02	1.06	0.99	0.98
Orroroo Carrieton	0.87	0.91	0.98	0.97	0.96	1.07	0.85
Peterborough	0.88	0.92	1.00	1.00	0.96	1.01	0.89
Playford	1.10	1.03	1.06	1.01	1.05	0.99	1.08
Port Adelaide Enfield	1.06	0.98	1.19	1.00	1.00	0.99	1.15
Port Augusta	0.87	0.91	0.98	0.98	1.00	1.00	0.92
Port Lincoln	0.78	0.90	0.95	0.99	0.96	1.00	0.97
Port Pirie	0.88	0.92	1.00	1.01	1.00	0.99	1.07
Prospect	0.97	0.98	1.00	1.00	1.00	0.98	0.98
Renmark Paringa	1.22	1.21	1.20	1.08	1.09	1.06	0.98
Robe	0.98	0.95	0.98	1.04	1.08	1.01	0.94
Roxby Downs	0.89	0.90	0.99	0.98	1.00	0.99	0.91
Salisbury	1.05	0.96	1.12	1.05	1.00	0.99	1.01
Southern Mallee	0.89	0.95	1.01	1.00	0.97	1.05	0.90
Streaky Bay	0.77	0.82	0.95	0.95	0.97	1.12	0.90
Tatiara	1.06	1.08	1.15	1.04	1.06	1.02	0.92
Tea Tree Gully	1.08	1.08	1.07	1.01	1.08	0.99	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	1.06	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	0.99	0.96
Wattle Range	0.98	1.15	1.00	1.04	1.11	1.00	0.98
West Torrens	0.94	0.98	1.00	1.00	1.00	0.98	1.07
Whyalla	0.85	0.89	1.00	1.01	1.00	0.99	0.98
Wudinna	0.88	0.93	1.00	0.98	0.99	1.00	0.88
Yankalilla	1.00	1.09	0.99	1.02	1.05	1.02	0.98
Yorke Peninsula	0.87	0.89	0.99	0.99	0.97	1.07	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 – 2020-21

Valuation per capita (incorporating the SEIFA index of Economic Resources) - Data sourced from Valuer General as at January each year (data from 2018, 2019 and 2020 averaged).

Unit of Measure:	Residential	Commercial	Industrial	Rural	Other
Adelaide	234,081	393,338	2,667	0	42,754
Adelaide Hills	203,062	7,229	1,137	52,237	7,600
Adelaide Plains	110,004	3,627	1,807	86,677	10,233
Alexandrina	190,107	7,795	1,745	62,563	11,656
Barossa	129,658	12,418	9,983	53,373	6,546
Barunga West	127,199	6,297	1,891	331,526	7,113
Berri Barmera	72,638	12,672	3,585	20,104	4,444
Burnside	370,087	24,399	256	108	9,080
Campbelltown	219,053	8,356	1,065	128	7,704
Ceduna	95,851	19,701	1,301	32,460	7,731
Charles Sturt	219,083	23,793	3,751	28	5,542
Clare & Gilbert Valleys	95,468	13,413	2,954	186,009	7,060
Cleve	76,310	15,060	1,149	266,326	5,083
Cooper Pedy	52,235	16,298	1,153	0	3,700
Coorong	70,127	10,335	718	211,388	9,412
Copper Coast	159,694	13,908	1,489	36,321	14,784
Elliston	112,252	13,466	1,155	283,581	16,192
Flinders Ranges	68,395	9,122	608	55,726	6,825
Franklin Harbour	111,446	11,798	8,149	69,220	10,707
Gawler	124,655	13,121	805	5,239	7,348
Goyder	52,827	5,064	794	238,229	4,985
Grant	79,349	2,772	3,200	186,484	6,533
Holdfast Bay	317,311	28,447	1,315	0	6,726
Kangaroo Island	141,004	16,926	1,706	124,872	28,525
Karoonda East Murray	31,135	7,555	1,980	206,550	5,175
Kimba	43,387	16,402	960	231,848	3,261
Kingston	154,160	11,067	1,371	350,265	22,257
Light	110,928	7,500	7,439	103,773	6,161
Lower Eyre Peninsula	133,075	7,135	1,309	196,043	18,178
Loxton Waikerie	77,361	7,531	2,307	69,396	4,130
Marion	187,643	20,720	1,659	80	4,380
Mid Murray	150,846	6,369	1,751	67,727	17,973
Mitcham	252,610	11,837	1,897	738	8,737
Mount Barker	149,767	15,226	2,337	34,547	9,777
Mount Gambier	94,737	18,404	4,923	690	4,434
Mount Remarkable	70,389	7,569	573	163,611	8,802
Murray Bridge	85,018	14,474	4,276	26,109	7,079
Naracoorte Lucindale	72,136	11,709	2,614	187,902	4,171
Northern Areas	62,614	9,077	1,149	256,615	9,222
Norwood, Payneham & St Peter	299,635	54,726	3,203	18	12,454
Onkaparinga	147,044	9,512	2,201	7,753	4,640
Orroroo Carrieton	52,982	6,789	683	211,620	2,445
Peterborough	42,626	6,710	825	43,535	2,485
Playford	82,925	11,783	1,808	9,928	3,863
Port Adelaide Enfield	160,551	26,697	14,740	10	7,750
Port Augusta	75,369	14,986	2,131	2,795	5,431
Port Lincoln	124,688	25,010	5,235	987	7,928
Port Pirie	71,994	12,383	2,687	32,458	3,923
Prospect	257,603	21,266	1,047	0	6,229
Renmark Paringa	80,770	10,710	3,133	41,399	3,653
Robe	423,255	37,907	7,679	312,705	46,034
Roxby Downs	95,404	11,359	1,665	0	3,621
Salisbury	116,561	15,363	4,858	641	3,697
Southern Mallee	33,484	10,318	1,157	207,338	2,392
Streaky Bay	110,156	14,211	1,521	109,825	20,712
Tatiara	53,614	8,988	3,854	217,122	3,385
Tea Tree Gully	166,373	13,632	1,239	943	3,274
Tumby Bay	121,311	13,151	1,580	281,145	12,585
Unley	328,414	33,864	851	1	7,056
Victor Harbor	208,198	16,904	1,055	22,830	13,744
Wakefield	63,852	9,103	1,704	223,409	6,144
Walkerville	399,672	20,375	302	0	13,246
Wattle Range	72,939	7,134	6,198	186,279	6,017
West Torrens	205,660	34,576	7,300	21	6,783
Whyalla	67,854	9,972	1,498	463	2,177
Wudinna	46,986	17,190	782	178,074	2,189
Yankalilla	239,158	10,225	994	92,724	23,126
Yorke Peninsula	199,712	10,803	1,336	298,131	19,289
State	165,200	171,935	3,572	23,538	7,104

APPENDIX V – Units of Measure by function – Expenditure - 2020-21

Data sourced from Councils and the Australian Bureau of Statistics as at 30 June 2019.

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	18,288	3,280	1,365	1,626	25,456	20,886
Adelaide Hills	15,707	7,216	7,527	1,200	39,977	30,477
Adelaide Plains	3,902	1,314	1,696	173	9,137	7,248
Alexandrina	15,789	8,010	4,148	414	27,427	17,910
Barossa	11,049	4,926	4,632	480	25,021	18,562
Barunga West	2,203	828	339	57	2,563	1,633
Berri Barmera	5,414	2,363	1,982	249	10,842	7,897
Burnside	20,238	9,957	7,891	405	45,816	33,681
Campbelltown	23,023	10,530	8,602	418	52,192	38,341
Ceduna	1,861	576	727	57	3,442	2,641
Charles Sturt	55,836	22,141	18,547	1,220	118,943	88,675
Clare & Gilbert Valleys	5,313	2,128	1,679	332	9,424	6,766
Cleve	1,134	344	352	28	1,792	1,350
Cooper Pedy	1,339	392	331	35	1,834	1,321
Coorong	3,233	1,237	989	136	5,429	3,926
Copper Coast	9,923	4,187	2,356	192	15,010	9,949
Elliston	856	171	209	25	1,008	796
Flinders Ranges	1,256	425	268	37	1,692	1,171
Franklin Harbour	907	361	237	13	1,304	875
Gawler	10,688	4,690	4,365	356	24,416	17,811
Goyder	3,263	972	691	117	4,190	3,021
Grant	4,172	1,472	1,535	96	8,584	6,643
Holdfast Bay	19,950	8,838	5,071	443	37,435	26,646
Kangaroo Island	3,611	1,186	825	196	4,983	3,477
Karoonda East Murray	723	301	199	33	1,107	757
Kimba	667	222	262	21	1,065	753
Kingston	1,861	686	377	34	2,371	1,582
Light	6,413	2,086	3,179	323	15,359	12,361
Lower Eyre Peninsula	2,832	978	1,103	41	5,780	4,438
Loxton Waikerie	6,332	2,690	2,081	237	11,743	8,418
Marion	41,996	16,256	15,488	631	93,448	70,608
Mid Murray	7,521	2,356	1,209	201	9,094	6,247
Mitcham	27,832	13,056	11,954	605	67,474	50,536
Mount Barker	14,847	5,470	7,162	784	36,571	27,847
Mount Gambier	13,332	4,961	5,389	531	27,275	20,459
Mount Remarkable	2,166	779	416	80	2,909	2,021
Murray Bridge	10,329	4,372	3,865	242	22,495	16,510
Naracoorte Lucindale	4,837	1,596	1,670	67	8,555	6,480
Northern Areas	3,146	1,088	842	45	4,619	3,226
Norwood, Payneham & St Peters	18,889	7,240	5,286	643	37,056	27,858
Onkaparinga	75,168	30,397	32,023	1,462	172,938	130,814
Orroroo Carrieton	930	250	147	32	850	566
Peterborough	1,375	477	234	41	1,687	1,152
Playford	38,492	11,283	22,024	548	94,848	74,320
Port Adelaide Enfield	58,416	19,433	21,621	1,268	127,740	98,739
Port Augusta	6,916	2,337	2,760	199	13,862	10,860
Port Lincoln	7,287	2,781	2,910	239	14,718	10,908
Port Pirie	9,117	3,814	3,188	227	17,634	12,859
Prospect	9,761	3,010	3,732	226	21,520	16,994
Renmark Paringa	4,663	2,094	1,673	172	9,907	7,246
Robe	1,795	362	190	24	1,450	1,009
Roxby Downs	1,895	96	1,033	45	3,954	3,461
Salisbury	57,492	20,300	28,504	1,111	143,560	112,542
Southern Mallee	1,250	482	356	40	2,080	1,497
Streaky Bay	1,501	428	475	26	2,192	1,624
Tatiara	3,573	1,271	1,281	125	6,816	5,190
Tea Tree Gully	41,261	18,556	17,781	833	100,261	75,758
Tumby Bay	1,763	736	451	36	2,702	1,806
Unley	18,242	7,467	6,282	524	39,208	29,841
Victor Harbor	9,482	6,057	2,052	180	15,465	8,636
Wakefield	4,116	1,397	1,338	103	6,838	5,048
Walkerville	3,839	1,729	1,221	59	8,000	5,881
Wattle Range	7,115	2,617	2,157	74	12,041	8,729
West Torrens	29,147	10,587	8,860	655	60,842	46,356
Whyalla	11,522	3,828	4,246	211	21,665	16,637
Wudinna	793	247	282	18	1,300	981
Yankalilla	4,286	1,629	788	67	5,572	3,614
Yorke Peninsula	11,160	3,767	1,578	146	11,324	7,068
Total	825,036	319,112	306,031	21,513	1,745,812	1,311,940

Function:	Sealed Built Up Roads	Sealed Non Built Up Roads	Sealed Built-Up Roads (Footpaths, kerbing, street lighting etc)	Unsealed Built Up Roads	Unsealed Non Built Up Roads	Unformed Roads
Unit of Measure:	Sealed Built Up Kms	Sealed Non Built Up Kms	Sealed Built Up Kms	Unsealed Built Up Kms	Unsealed Non Built Up Kms	Unformed Kms
Adelaide	120	0	120	0	0	0
Adelaide Hills	214	398	214	3	392	7
Adelaide Plains	93	70	93	35	641	130
Alexandrina	257	302	257	19	772	27
Barossa	159	207	159	8	534	71
Barunga West	33	42	33	6	748	98
Berri Barmera	71	214	71	1	105	76
Burnside	233	0	233	0	5	0
Campbelltown	255	0	255	0	0	0
Ceduna	45	35	45	4	1,374	257
Charles Sturt	583	0	583	0	0	0
Clare & Gilbert Valleys	78	167	78	12	1,388	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	98	201	44	483	84
Elliston	22	45	22	8	943	136
Flinders Ranges	26	22	26	7	871	336
Franklin Harbour	20	66	20	0	664	37
Gawler	152	30	152	2	16	2
Goyder	60	108	60	23	2,277	543
Grant	29	488	29	2	752	297
Holdfast Bay	171	0	171	0	0	0
Kangaroo Island	56	203	56	54	1,000	51
Karoonda East Murray	10	120	10	5	1,116	48
Kimba	12	88	12	10	970	636
Kingston	50	81	50	8	558	21
Light	96	111	96	7	1,185	55
Lower Eyre Peninsula	49	99	49	13	1,100	83
Loxton Waikerie	70	347	70	16	1,674	199
Marion	474	0	474	0	0	0
Mid Murray	80	292	80	28	2,028	976
Mitcham	388	17	388	0	0	1
Mount Barker	210	171	210	7	370	30
Mount Gambier	212	14	212	0	1	0
Mount Remarkable	28	85	28	13	1,509	433
Murray Bridge	148	320	148	6	479	22
Naracoorte Lucindale	73	398	73	4	1,107	36
Northern Areas	65	76	65	28	1,760	274
Norwood, Payneham & St Peters	160	0	160	0	0	0
Onkaparinga	1,049	246	1,049	7	201	3
Orroroo Carrieton	19	41	19	7	864	697
Peterborough	31	8	31	7	799	386
Playford	498	255	498	1	81	6
Port Adelaide Enfield	688	0	688	4	0	0
Port Augusta	143	54	143	25	98	92
Port Lincoln	146	7	146	3	3	2
Port Pirie	187	146	187	19	972	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	803	23	803	2	3	0
Southern Mallee	25	107	25	7	1,049	144
Streaky Bay	44	58	44	10	1,405	219
Tatiara	87	445	87	7	1,156	226
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	156	102	156	6	128	3
Wakefield	73	139	73	9	2,379	86
Walkerville	35	0	35	0	0	0
Wattle Range	148	390	148	25	1,332	544
West Torrens	290	0	290	0	0	0
Whyalla	202	22	202	5	50	3
Wudinna	18	99	18	15	1,233	322
Yankalilla	55	76	55	3	363	48
Yorke Peninsula	195	327	195	41	3,097	239
Total	10,951	7,990	10,951	664	46,342	8,791

Function:	Stormwater Drainage - Maintenance	Community Support	Jetties, Wharves, Marinas & Boat Ramps	Public Order and Safety	Planning & Building Control	Bridges	Environment and Coastal Protection	Airports & Authorised Landing Areas
Unit of Measure:	No. of Urban, Industrial & Commercial Properties (excluding exempt)	Population x CRI (SEIFA Index of Advantage/Disadvantage)	Number of Jetties, Wharves, Marinas & Boat Ramps	Total Number of Properties	Number of New Developments & Additions	Number of Bridges	Estimated Resident Population	Number of Airports & Authorised Landing Areas
Adelaide	23,031	23,863	0	24,853	886	10	25,456	0
Adelaide Hills	13,899	35,695	0	18,594	1,053	24	39,977	0
Adelaide Plains	3,034	9,072	3	5,272	481	4	9,137	0
Alexandrina	13,999	26,913	17	19,599	1,085	38	27,427	0
Barossa	9,892	23,980	0	13,380	784	52	25,021	0
Barunga West	1,640	2,655	3	3,005	102	0	2,563	0
Berri Barmera	4,945	11,619	7	6,724	178	0	10,842	0
Burnside	20,497	41,021	0	21,231	1,279	1	45,816	0
Campbelltown	23,188	49,972	0	24,501	1,314	33	52,192	0
Ceduna	1,652	3,565	5	2,731	102	0	3,442	1
Charles Sturt	57,113	116,734	0	59,682	3,187	6	118,943	0
Clare & Gilbert Valleys	3,877	9,170	0	7,431	265	29	9,424	0
Cleve	796	1,751	3	1,802	39	2	1,792	3
Cooper Pedy	1,395	2,037	0	2,020	25	0	1,834	1
Coorong	2,341	5,732	9	5,194	176	0	5,429	2
Copper Coast	9,618	15,757	3	12,749	562	0	15,010	1
Elliston	614	1,030	3	1,590	36	0	1,008	4
Flinders Ranges	855	1,761	0	2,162	39	0	1,692	2
Franklin Harbour	763	1,328	1	1,336	38	1	1,304	1
Gawler	10,604	24,605	0	11,907	619	9	24,416	0
Goyder	1,739	4,353	0	5,058	102	10	4,190	0
Grant	2,614	8,182	4	5,971	277	1	8,584	1
Holdfast Bay	20,304	34,616	19	21,020	1,125	4	37,435	0
Kangaroo Island	2,858	4,985	7	6,058	256	26	4,983	1
Karoonda East Murray	332	1,145	0	1,494	29	0	1,107	0
Kimba	420	1,017	0	1,079	21	0	1,065	1
Kingston	1,467	2,412	2	2,905	58	0	2,371	3
Light	5,161	14,592	0	8,287	487	17	15,359	0
Lower Eyre Peninsula	2,292	5,526	7	4,466	214	2	5,780	3
Loxton Waikerie	5,139	12,092	13	9,009	331	0	11,743	6
Marion	42,507	90,417	0	44,237	2,066	3	93,448	0
Mid Murray	5,901	9,495	35	11,455	454	16	9,094	0
Mitcham	28,234	61,108	0	29,621	1,418	21	67,474	0
Mount Barker	13,753	33,660	0	17,831	1,294	52	36,571	0
Mount Gambier	13,802	28,677	1	14,833	369	0	27,275	0
Mount Remarkable	1,349	2,914	1	3,669	92	4	2,909	2
Murray Bridge	9,436	24,086	20	12,498	506	6	22,495	0
Naracoorte Lucindale	3,313	8,624	1	6,727	177	37	8,555	2
Northern Areas	1,987	4,597	0	4,760	118	18	4,619	1
Norwood, Payneham & St Peters	19,732	34,948	0	20,347	1,003	0	37,056	0
Onkaparinga	75,206	170,286	2	82,146	3,004	58	172,938	0
Orroroo Carrieton	416	859	0	1,688	17	0	850	2
Peterborough	1,056	2,022	0	1,932	22	9	1,687	1
Playford	37,521	105,409	0	42,511	2,135	22	94,848	0
Port Adelaide Enfield	60,781	131,858	0	64,750	3,682	0	127,740	0
Port Augusta	7,110	15,390	3	8,283	218	7	13,862	1
Port Lincoln	7,730	15,083	5	8,715	250	1	14,718	0
Port Pirie	8,681	19,367	9	11,242	367	6	17,634	1
Prospect	9,886	19,866	0	10,139	541	0	21,520	0
Renmark Paringa	4,077	10,501	1	5,978	223	3	9,907	1
Robe	1,561	1,391	3	2,748	104	1	1,450	2
Roxby Downs	1,972	3,730	0	2,116	21	0	3,954	0
Salisbury	58,794	151,882	0	62,017	1,992	22	143,560	0
Southern Mallee	775	2,058	0	1,988	59	0	2,080	1
Streaky Bay	1,122	2,158	5	2,702	64	0	2,192	1
Tatiara	2,500	6,749	0	5,147	142	16	6,816	3
Tea Tree Gully	41,528	94,704	0	43,680	2,214	6	100,261	0
Tumby Bay	1,316	2,692	0	2,599	72	5	2,702	2
Unley	18,647	35,691	0	19,010	421	8	39,208	0
Victor Harbor	9,230	15,640	2	11,155	568	34	15,465	0
Wakefield	2,685	7,187	1	5,978	229	22	6,838	0
Walkerville	3,942	7,204	0	4,108	302	0	8,000	0
Wattle Range	5,111	12,508	0	9,949	447	0	12,041	1
West Torrens	30,128	58,813	0	31,143	1,248	18	60,842	0
Whyalla	11,727	23,989	4	12,514	248	0	21,665	3
Wudinna	511	1,266	0	1,362	24	0	1,300	2
Yankalilla	3,717	5,508	3	5,887	309	35	5,572	0
Yorke Peninsula	9,436	11,635	34	15,344	468	0	11,324	3
Total	803,256	1,731,156	236	953,919	42,044	699	1,745,812	59

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.
- *May 2020* – approximately half of the 2020-21 Financial Assistance Grants were brought forward by the Commonwealth and paid in 2019-20. Allocation of the early payment of the 2020-21 grants was based on the approved 2019-20 distribution.

- *June 2020* – the Commission updated the methodology for the 2020-21 grant recommendations, updating the unit measure for the jetties and wharves expenditure assessment to include marinas and boat ramps and adding a new expenditure assessment to measure relative need in relation to airports and airstrips.

APPENDIX VII – 2018-19 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 2018-19 General Information, Supplementary Returns and their Audited Financial Statements by the due date of 30 November 2019 and thereby facilitated the timely determination of grants.

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

APPENDIX VIII - Financial Statements 2019-20

SOUTH AUSTRALIAN LOCAL GOVERNMENT GRANTS COMMISSION

Financial Statements

For the Year Ended 30 June 2020

South Australian Local Government Grants Commission
Statement of Comprehensive Income
for the year ended 30 June 2020

	Note No	2020 \$'000	2019 \$'000
Income			
Interest revenue	4.2	7	23
Revenue from SA Government	4.1	461	450
Resources received free of charge	3.1	31	30
Total Income		499	503
Expenses			
Employee benefit expenses	2.3	280	317
Supplies and services	3.1	127	151
Total Expenses		407	468
Net Result		92	35
Total comprehensive result		92	35

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 2020

	Note No	2020 \$'000	2019 \$'000
Current assets			
Cash and Cash Equivalents	5.1	1 423	1 345
Receivables	5.2	-	2
Total Current Assets		1 423	1 347
Total Assets		1 423	1 347
Current liabilities			
Payables	6.1	16	27
Employee benefits	2.5	37	38
Total Current Liabilities		53	65
Non-current liabilities			
Payables	6.1	11	11
Employee benefits	2.5	120	124
Total Non-Current Liabilities		131	135
Total Liabilities		184	200
Net assets		1 239	1 147
Equity			
Retained earnings		1 239	1 147
Total Equity		1 239	1 147

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 2020

	Retained Earnings	Total Equity
	\$'000	\$'000
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
Net result for 2019-20	92	92
Total Comprehensive Result for 2019-20	92	92
Balance at 30 June 2020	1 239	1 239

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 2020

	Note No	2020 \$'000 Inflows (Outflows)	2019 \$'000 Inflows (Outflows)
Cash flows from operating activities			
Cash inflows			
Revenue from SA Government		461	450
Interest received		9	22
Cash generated from Operations		470	472
Employee benefit payments		(285)	(293)
Supplies and services		(107)	(111)
Cash used in Operations		(392)	(404)
Net Cash provided by / (used in) Operating Activities		78	68
Net (decrease) / increase in cash		78	68
Cash at 30 June		1 345	1 277
Cash at 30 June	5.1	1 423	1 345

SOUTH AUSTRALIAN LOCAL GOVERNMENT GRANTS COMMISSION

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

For the Year Ended 30 June 2020

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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.

Treasurer's Instructions (Accounting Policy Statements) issued on 1 June 2020 removed the previous requirement for financial statements to be prepared using the net cost of services format. The net cost of services is the total cost of services less any revenue retained by public authorities involved in the provision of services but does not include items classified as revenues from and payments to the South Australian Government.

Presentation of the Statement of Comprehensive Income on an 'income and expense' basis allows information to be presented in such a way that eliminates potential confusion as to the source of funding for the Commission. As well as changes to the format of the Statement of Comprehensive Income, there are presentational changes to remove the net cost of services format from the Statement of Cash Flows. These statements now show income before expenses, and cash receipts before cash payments. Related disclosures also reflect this changed format.

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 financial assistance grants are an administered function of the Commission. All revenues and expenditures from the receipt and disbursement of grant funds, and any year end cash balances are reflected separately in Note 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. Impact of COVID-19 pandemic on the Commission

The COVID-19 pandemic has had no material impact on the operations of the Commission in 2019-20. At this stage, there is insufficient information to determine whether the COVID-19 pandemic will have a material impact on the operations of the Commission in 2020-21.

The Commission will continue to assess the impact of the COVID-19 pandemic on their operations in 2020-21.

1.4. 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 \$162 690 (\$176 370). 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 2020 financial year were:

Burgess D J (reappointed 23/05/2020)
Green B
Campana WA (appointed 5/09/2019)

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

	2020	2019
\$0 - \$19 999	3	4
Total number of members	3	4

Remuneration of members reflects all costs of performing commission member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$33 000 (\$49 000).

2.3. Employee Benefit Expenses

	2020	2019
	\$'000	\$'000
Salaries and wages	185	185
Annual Leave	19	25
Long service leave	9	12
Employment on-costs	36	48
Commission fees	30	45
Other employee related expenses	1	2
Total Employee Benefits Expense	280	317

Targeted Voluntary Separation Packages (TVSPs)

No employees were paid TVSPs during the period 1 July 2019 to 30 June 2020.

2.4. Remuneration of employees

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

2.5. Employee Benefits Liability

	2020 \$'000	2019 \$'000
Current:		
Annual leave	18	16
Long service leave	11	15
Skills and experience retention leave	2	2
Accrued salaries and wages	6	5
Total Current Employee Benefits	37	38
Non-Current:		
Long service leave	120	124
Total Non-Current Employee Benefits	120	124
Total Employee Benefits	157	162

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

	2020 \$'000	2019 \$'000
Service Level Agreement	47	74
Accommodation*	31	30
Information technology and communication	20	22
Auditor's remuneration	11	11
Travel	7	7
Other	7	5
Other service contracts	4	2
Total Supplies and Services	127	151

*Accommodation is provided free of charge by the Department of Planning, Transport and Infrastructure in accordance with Government-wide accommodation policies.

4. Income

4.1. Revenues from SA Government

	2020 \$'000	2019 \$'000
Revenue from SA Government	461	450
Total Revenue from SA Government	461	450

Revenue from SA Government is recognised on receipt.

4.2. Interest Revenue

	2020 \$'000	2019 \$'000
Interest from the Department of Treasury and Finance	7	23
Total Interest Revenue	7	23

5. Financial Assets

5.1. Cash

	2020 \$'000	2019 \$'000
Deposits at call with the Treasurer	1 423	1 345
Total Cash	1 423	1 345

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

	2020	2019
	\$'000	\$'000
Current:		
Accrued Interest on deposits	-	2
Total Current Receivables	-	2
Total Receivables	-	2

6. Liabilities

6.1. Payables

	2020	2019
	\$'000	\$'000
Current:		
Accrued expenses	11	22
Employment on-costs	5	5
Total Current Payables	16	27
Non-Current:		
Employment on-costs	11	11
Total Non-Current Payables	11	11
Total Payables	27	38

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 changed from the rate of 41% in 2019 to 42% in 2020, and the average factor for the calculation of employer superannuation cost on-cost has remained unchanged from the 2019 rate of 9.8%. These rates are used in the employment on-cost calculation. The estimated impact on 2020 and 2021 is not expected to be material.

7. Outlook

7.1. Unrecognised Contractual Commitments

	2020	2019
	\$'000	\$'000
Within one year	78	76
Later than one year but not later than five years	-	78
Total commitments	78	154

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 with the Department of Planning, Transport and Infrastructure for administrative and office services.

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 2020.

7.3. Events After the Reporting Period

As a consequence of the restructuring of administrative arrangements outlined in the Government Gazette on 29 July 2020, the *South Australian Local Government Grants Commission Act 1992* was committed to the Minister for Planning and Local Government.

The Commission is not aware of any other 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 rate of 1.25% in 2019 to 0.75% in 2020.

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 actuarial assessment performed by the Department of Treasury and Finance saw a decrease in the salary inflation rate from 4% in 2019 to 2.5% in 2020 for long service leave liability.

The net financial effect of the changes in the current financial year is a decrease in the long service leave liability of \$0.004 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 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 2020 and 2019.

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

	2020 \$'000	2019 \$'000
Administered Commonwealth Revenues		
Commonwealth Financial Assistance Grants	166 068	163 418
Commonwealth Roads to Recovery Grants	6 075	5 929
Supplementary Local Road Funding Grants	-	60 000
Total Administered Revenues - Commonwealth receipts	172 143	229 347
Interest Revenue		
Interest on cash deposits	26	-
Total Interest Revenue	26	-
Total Revenues	172 169	229 347
Administered Commonwealth Expenditure Grants		
Commonwealth Financial Assistance Grants	166 068	163 418
Commonwealth Roads to Recovery Grants	6 075	5 929
Supplementary Local Road Funding Grants	3 000	54 000
Total Administered Expenses - Commonwealth payments	175 143	223 347

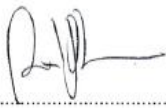
	2020	2019
	\$'000	\$'000
Assets		
Cash*	3 026	6 000
Total Assets	3 026	6 000
Equity		
Retained Earnings	3 026	6 000
Total Equity	3 026	6 000
	2020	2019
	\$'000	\$'000
Cash Flows from Operating Activities		
Cash Inflows		
Commonwealth Grants	172 143	229 347
Interest Received	26	
Cash generated from Operations	172 169	229 347
Cash Outflows		
Commonwealth Grants	175 143	223 347
Cash used in Operations	175 143	223 347
Net cash provided by/(used in) operating activities		
Net increase (decrease) in cash held	(2 974)	6 000
Cash 1 July	6 000	-
Cash 30 June*	3 026	6 000

*Supplementary Local Road Funding Grants program monies received for which the funding recipients are yet to be determined. These funds are held at the Local Government Financing Authority.

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

30 September 2020


.....

Bruce Green
Presiding Member
South Australian Local Government
Grants Commission

30 September 2020

INDEPENDENT AUDITOR'S REPORT**Government of South Australia**

Auditor-General's Department

Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

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

I have audited the financial report of the South Australian Local Government Grants Commission (the Commission) for the financial year ended 30 June 2020.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Commission as at 30 June 2020, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2020
- a Statement of Financial Position as at 30 June 2020
- a Statement of Changes in Equity for the year ended 30 June 2020
- a Statement of Cash Flows for the year ended 30 June 2020
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Presiding Member and the Executive Officer.

Basis for opinion

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

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

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 relevant 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

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Commission for the financial year ended 30 June 2020.

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 other 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 2020