



Australian Government

Department of Infrastructure, Transport,  
Regional Development and Communications

# Local Government National Report



## 2018–19





**Australian Government**

**Department of Infrastructure, Transport,  
Regional Development and Communications**

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## 2018–19

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Director—Design Services  
Communication Branch  
Department of Infrastructure, Transport, Regional Development and Communications  
GPO Box 594  
Canberra ACT 2601  
Australia  
Email: [publishing@infrastructure.gov.au](mailto:publishing@infrastructure.gov.au)  
Website: [www.infrastructure.gov.au](http://www.infrastructure.gov.au)



# Transmittal letter



**Australian Government**

**Department of Infrastructure, Transport,  
Regional Development and Communications**

**Secretary  
Simon Atkinson**

**EC21-000847**

The Hon Kevin Hogan MP  
Assistant Minister for Local Government  
Assistant Minister to the Deputy Prime Minister  
Parliament House  
CANBERRA ACT 2600

Dear Minister

## **Tabling of the 2018-19 Local Government National Report**

In accordance with Section 16 of the *Local Government (Financial Assistance) Act 1995* (the Act), I provide you with the 2018-19 Local Government National Report (the Report) on the operation of the Act for you to present to both Houses of Parliament.

The Report has been prepared with the cooperation of all levels of government and local government associations, in accordance with the reporting requirements under the Act.

Yours sincerely

A blue ink signature of Simon Atkinson.

Simon Atkinson, Secretary

15 January 2022



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## Local Government in Australia

The Australian Government recognises that the national interest is served through improving the capacity of local government to deliver services to all Australians by enhancing the performance and efficiency of the sector. The *Local Government (Financial Assistance) Act 1995 (Cth)* (the Act) is an important means used to achieve these goals.

During 2018–19, Australia had 546 local governing bodies eligible to receive funding under the Australian Government's Financial Assistance Grant program. The Act provides the legislative basis for this program. These 546 local governing bodies include:

- 535 local governments
- 10 declared local governing bodies, consisting of five Indigenous local governments and the Outback Areas Community Development Trust in South Australia; the Local Government Association of Northern Territory; the Silverton and Tibooburra villages; and Lord Howe Island in New South Wales
- the Australian Capital Territory, which receives funding through the Financial Assistance Grant program as it maintains both territorial and local government functions.

The Act defines the term 'local governing bodies' in a way that includes local governments established under state and Northern Territory legislation as well as 'declared bodies'. The terms 'council' and 'local government' are used interchangeably in this report to encompass all local governing bodies.

Declared bodies are funded under the Financial Assistance Grant program and are treated as local governments for the purposes of grant allocations. However, declared bodies are not local governments and have different legislative obligations. Due to this difference, data in this report that relates to local government may not be directly comparable to local governing bodies. Also, data relating to local government cannot be directly compared to that for the Australian Capital Territory, as the Australian Capital Territory performs both territorial and local government functions.

### Local government functions

While the structure, powers and responsibilities of the Australian and state governments were established during federation, local government was not identified as a Commonwealth responsibility—it is a state and Northern Territory responsibility. The states and the Northern Territory established the legal and regulatory framework to create and operate local government. As such, there are significant differences between the systems overseeing councils.

The main roles of local government are governance, planning, community development, service delivery, asset management and regulation.

Local governments are close to their communities and have unique insights into local and community needs. Councils determine service provision according to local needs and the requirements of state and territory legislation.

## Population

The estimated resident population of Australia at 30 June 2019 was 25,364,300, an increase of 381,600 persons or 1.5 per cent from 30 June 2018. All states and territories, except the Northern Territory, experienced positive growth for the year ending 30 June 2019. Victoria recorded the fastest growth rate (2.1 per cent) while the Northern Territory recorded the lowest (-0.5 per cent).

The Australian Bureau of Statistics publishes information on Australia's population through the *Australian Demographic Statistics*, ABS cat. No 3101.0.

## Diversity

Local government can be highly diverse, both within and between jurisdictions. This diversity extends beyond rural-metropolitan differences. In addition to size and population, other significant differences between councils include the:

- attitudes and aspirations of local communities
- fiscal position (including revenue-raising capacity), resources and skills base
- legislative frameworks, including voting rights and electoral systems for example
- physical, economic, social and cultural environments
- range and scale of functions.

## Aboriginal and Torres Strait Islander councils

Aboriginal and Torres Strait Islander councils have been established under different legislative frameworks. They can be established under the mainstream local government legislation of a jurisdiction or through distinct legislation. They can also be 'declared' to be local governing bodies by the Australian Government Minister for Local Government on advice from a state or Northern Territory minister for the purpose of providing funding under the Financial Assistance Grant program.

## National representation of local government

In 2018–19, the interests of local government were represented through a number of groups, including the Australian Local Government Association and the Council of Australian Governments.

### Council of Australian Governments

The Council of Australian Governments (COAG) comprised the Prime Minister, state premiers, territory chief ministers and the Australian Local Government Association President. COAG was established in May 1992 and its role was to initiate, develop and monitor the implementation of policy reforms of national significance.

COAG established inter-governmental agreements that signified the commitment of jurisdictions to implement its decisions. In many instances, these agreements are precursors to the passage of legislation at the Commonwealth, state and territory levels.

## Australian Local Government Association

The Australian Local Government Association is a federation of state and Northern Territory local government associations. The Australian Local Government Association aims to add value, at the national level, to the work of state and territory associations and their member councils. Further information is available at <https://alga.asn.au>.

## Australian Government grants to local government

The Australian Government supports local government through the Financial Assistance Grant program, specific purpose payments and direct funding.

In 2018–19, the Australian Government provided \$2.5 billion in untied funding under the Financial Assistance Grant program to local governing bodies and the Australian Capital Territory Government. The Australian Government brought forward \$1.2 billion of the budgeted allocation for 2019–20 and paid this funding to states and territories in June 2019. The means of distributing funding provided under the Financial Assistance Grant program is discussed in Chapter 2. Allocations to local governing bodies for 2018–19 are provided in Appendix D.

Under the Intergovernmental Agreement on Federal Financial Relations, the Australian Government provided ongoing financial support to the service delivery efforts of the states and territories to local government through:

- national specific purpose payments to be spent in key service delivery sectors
- national partnership payments to support delivery of specified outputs or projects, facilitate reforms or reward those jurisdictions that deliver on nationally significant reforms
- general revenue assistance, consisting of GST payments and other general revenue assistance.

The national specific purpose payments (SPPs) are distributed among the states each year in accordance with the Australian Statistician's determination of state population shares. An equal per capita distribution of the specific purpose payments ensures that all Australians, regardless of the jurisdiction they live in, are provided with the same share of Commonwealth funding support for state service delivery.

Total payments to the states for specific purposes constitute a significant proportion of Commonwealth expenditure. In 2018–19, total specific purpose payments were estimated in the 2018–19 Budget to total \$58.6 billion, an increase of \$606.9 million compared with \$57.9 billion in 2017–18 (*Australian Government, Budget measures: Budget paper Number 3, 2018–19*).

## Local government finances

### Share of taxation revenue by sphere of government

Local government's taxation revenue increased by 5.9 per cent from 2017–18 to \$18.9 billion in 2018–19. Local government's taxation revenue in 2018–19 amounted to 3.4 per cent of all taxes raised across all spheres of government in Australia. Taxes on property were the sole source of taxation revenue for local governments in 2018–19 (Australian Bureau of Statistics, *Taxation Revenue, Australia, 2018–19*, ABS cat. Number 5506.0). Table 1 provides further information on the local government share of taxation revenue in 2018–19.

**Table 1** Share of taxation revenue by sphere of government and source, 2018–19

Revenue source	Federal %	State %	Local %	Total %
Taxes on income	60.5	-	-	60.5
Employers payroll taxes	0.2	4.6	-	4.6
Taxes on property	0.0	2.5	3.4	5.8
Taxes on provision of goods and services	19.1	6.1	-	25.2
Taxes on use of goods and performance activities	1.6	2.3	-	3.8
<b>Total</b>	<b>88.2</b>	<b>15.4</b>	<b>3.4</b>	<b>100.0</b>

Notes Figures may not add to totals due to inclusion of external territories and rounding.

'-' represents nil or figure rounded to zero.

Source: Australian Bureau of Statistics, *Taxation Revenue, Australia, 2018–19*, Total Taxation Revenue, ABS cat. Number 5506.0.

### Local government revenue sources

In 2018–19, councils raised 86.2 per cent of their own revenue, with grants and subsidies making up the remaining 13.8 per cent (Table 2). Individual councils have differing abilities to raise revenue. These differing abilities may not be apparent when national or even state averages are considered. The differences between urban, rural and remote councils including their population size, rating base and ability to levy user charges, affects the ability of a council to raise revenue.

Table 2 Local government revenue sources by jurisdiction in 2018–19

Revenue source		NSW	Vic	Qld	WA	SA	Tas	NT	Total
<b>Own-source revenue</b>									
Taxation	\$m	4,809	5,368	4,146	2,423	1,602	419	138	18,904
	%	31.7	45.7	32.7	49.9	62.2	48.7	22.8	38.5
Sales of goods and services	\$m	5,097	2,107	4,220	1,067	430	189	109	13,819
	%	33.6	18.0	33.3	22.0	16.7	22.0	18.0	28.1
Interest	\$m	370	129	216	124	20	15	10	883
	%	2.4	1.1	1.7	2.6	0.8	1.7	1.7	1.8
Other*	\$m	2,825	2,827	2,081	525	208	91	133	8,784
	%	18.6	24.1	16.4	10.8	8.1	10.6	22.0	17.9
<b>Total own-source revenue</b>		<b>13,101</b>	<b>10,431</b>	<b>10,663</b>	<b>4,139</b>	<b>2,260</b>	<b>714</b>	<b>390</b>	<b>42,390</b>
Grants and subsidies	\$m	2,192	1,304	2,009	719	316	147	214	6,771
	%	14.5	11.1	15.9	14.8	12.3	17.1	35.4	13.8
<b>Total grant revenue</b>		<b>2,192</b>	<b>1,304</b>	<b>2,009</b>	<b>719</b>	<b>316</b>	<b>147</b>	<b>214</b>	<b>6,771</b>
<b>Total revenue</b>	<b>\$m</b>	<b>15,163</b>	<b>11,734</b>	<b>12,672</b>	<b>4,858</b>	<b>2,575</b>	<b>860</b>	<b>604</b>	<b>49,160</b>
	<b>%</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Notes: Figures may not add to totals due to inclusion of external territories and rounding.

\* Other revenue relates to items that are not recurrent and are not generated by the ordinary operations of the organisation, including items such as parking and other fines, rental incomes, insurance claims and revaluation adjustments.

Source: Australian Bureau of Statistics, *Government Finance Statistics, Australia, 2018–19*, ABS cat. Number 5512.0.

## Local government revenue—taxes

One way local governments raise revenue is through rates on property. In 2018–19, 38.5 per cent of local government revenue nationally came from rates. The proportion of revenue from rates varied notably between jurisdictions—from a high of 62.2 per cent for South Australia to a low of 22.8 per cent for the Northern Territory—and 17.9 per cent of local government revenue was classified as ‘other’ (Table 2).

Rates in each state and the Northern Territory are based on a land valuation. However, methods for assessing land value differ significantly between states.

## Local government revenue—other non-grant revenue sources

On average, local government received 28.1 per cent of its revenue in 2018–19 from the sale of goods and services (Table 2).

Councils in the Northern Territory relied more on government grants and subsidies than councils in other jurisdictions, as they raised only 64.6 per cent of their own revenue. In the remaining states, the proportion of revenue raised from own sources ranged from 83.0 per cent for Tasmanian councils to 88.9 per cent for Victorian councils (Table 2).

## Local government expenditure

Local government expenditure is primarily on general public services (23.0 per cent) followed by transport (21.4 per cent) and recreation, culture and religion (16.6 per cent) (Table 3).

**Table 3** Local government expenditure by purpose and jurisdiction in 2018–19

Expenditure		NSW	Vic	Qld	WA	SA	Tas	NT	Total
General public services	\$m	3,026	1,621	2,910	871	151	178	193	8,931
	%	25.0	18.1	28.9	20.5	6.6	22.1	39.9	23.0
Public order and safety	\$m	391	216	175	151	50	9	25	1,012
	%	3.2	2.4	1.7	3.6	2.2	1.1	5.2	2.6
Economic affairs	\$m	606	434	413	190	160	34	22	1,857
	%	5.0	4.9	4.1	4.5	7.0	4.2	4.5	4.8
Environmental protection	\$m	2,415	1,323	1,229	295	412	100	21	5,755
	%	20.0	14.8	12.2	6.9	18.1	12.4	4.3	14.8
Housing and community amenities	\$m	1,175	625	1,385	417	219	66	60	3,931
	%	9.7	7.0	13.7	9.8	9.6	8.2	12.4	10.1
Health	\$m	99	183	56	76	60	12	5	491
	%	0.8	2.0	0.6	1.8	2.6	1.5	1.0	1.3
Recreation, culture and religion	\$m	1,787	1,706	1,239	948	569	137	65	6,445
	%	14.8	19.1	12.3	22.3	25.0	17.0	13.4	16.6
Education	\$m	94	133	4	5	-	-	1	237
	%	0.8	1.5	0.0	0.1	-	-	0.2	0.6
Social protection	\$m	415	975	54	197	132	22	41	1,829
	%	3.4	10.9	0.5	4.6	5.8	2.7	8.5	4.7
Transport	\$m	2,074	1,725	2,611	1,098	525	247	51	8,322
	%	17.2	19.3	25.9	25.8	23.0	30.7	10.5	21.4
<b>Total</b>	<b>\$m</b>	<b>12,081</b>	<b>8,942</b>	<b>10,076</b>	<b>4,248</b>	<b>2,278</b>	<b>804</b>	<b>484</b>	<b>38,810</b>
	<b>%</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Notes: The Australian system of Government Finance Statistics 2015 framework (AGFS15) has been implemented by the ABS from 1 July 2017. Changes to expense categories have been reflected above. Figures may not add due to rounding.

'-' represents nil or figure rounded to zero.

Source: Australian Bureau of Statistics, *Taxation Revenue, Australia, 2018–19, Total Taxation Revenue*, ABS cat. Number 5512.0.

## Assets and liabilities

In 2018–19, local government in Australia had a net worth of \$480.7 billion, with assets worth \$457.0 billion and liabilities worth \$20.2 billion (Table 4 and Table 5).

On a state basis, only councils in South Australia had a net debt position as at 30 June 2019, while all the other states had a net surplus (Table 5).

Table 4 Local government assets in 2018–19

		NSW	Vic	Qld	WA	SA	Tas	NT	
Assets \$m		\$m	\$m	\$m	\$m	\$m	\$m	\$m	Total
Financial	Cash and deposits	2,163	1,611	5,017	2,730	42	447	306	12,335
	Advances paid	0	4	0	3	113	0	0	120
	Investments, loans and placements	0	4,219	1,261	391	21	2	0	5,807
	Equity	0	0	5,668	399	113	1,932	0	8,112
	Other non-equity assets	13,404	1,137	2,172	390	260	60	152	17,570
	<b>Total</b>	<b>15,567</b>	<b>6,971</b>	<b>14,119</b>	<b>3,914</b>	<b>549</b>	<b>2,440</b>	<b>458</b>	<b>43,945</b>
Non-financial	Land and fixed assets	167,193	104,257	108,093	44,685	25,454	9,413	2,598	456,815
	Other non-financial assets	187	0	0	0	0	0	0	187
	<b>Total</b>	<b>167,380</b>	<b>104,257</b>	<b>108,093</b>	<b>44,685</b>	<b>25,454</b>	<b>9,413</b>	<b>2,598</b>	<b>457,002</b>
<b>Total assets</b>		<b>172,428</b>	<b>182,947</b>	<b>111,227</b>	<b>122,212</b>	<b>48,598</b>	<b>26,003</b>	<b>11,853</b>	<b>500,946</b>

Notes: These figures may not add to totals due to rounding.

Source: Australian Bureau of Statistics, *Government Finance Statistics, Australia, 2018–19*, ABS cat. Number 5512.0.

Table 5 Local government liabilities and net worth and debt in 2018–19

		NSW	Vic	Qld	WA	SA	Tas	NT	Total
Liabilities		\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Deposits held		60	360	8	38	195	11	0	672
Advances received		2	4	0	2	204	0	0	212
Other loans and placements		3,222	1,051	5,476	682	284	177	12	10,206
Debt Securities		0	0	0	0	0	0	0	0
Provisions for defined benefit superannuation		0	2	0	0	0	0	0	2
Other liabilities		3,168	1,812	2,380	948	548	163	142	9,142
<b>Total liabilities</b>		<b>6,452</b>	<b>3,229</b>	<b>7,864</b>	<b>1,670</b>	<b>1,232</b>	<b>351</b>	<b>154</b>	<b>20,235</b>
<b>Net Financial Worth<sup>†</sup></b>		<b>176,494</b>	<b>107,999</b>	<b>114,348</b>	<b>46,928</b>	<b>24,771</b>	<b>11,502</b>	<b>2,901</b>	<b>480,712</b>
<b>Net Debt<sup>*</sup></b>		<b>9,114</b>	<b>3,742</b>	<b>6,255</b>	<b>2,244</b>	<b>-683</b>	<b>2,089</b>	<b>303</b>	<b>23,710</b>

Notes: These figures may not add to totals due to rounding.

<sup>†</sup> Net financial worth is the difference between total financial assets and total liabilities.

<sup>\*</sup> Net debt figures are memorandum items for comparison only. They do not derive from the above calculations. Net debt is the sum of selected financial liabilities, deposits held, advances received, government securities, loans, and other borrowing, less the sum of selected financial assets, cash and deposits; advances paid; and investments, loans and placements. Net debt is a common measure of the strength of a government's financial position.

Source: Australian Bureau of Statistics, *Government Finance Statistics, Australia, 2018–19*, ABS cat. Number 5512.0.







## Financial Assistance Grant program

### History of the arrangements

Financial Assistance Grant program funding is provided under the *Local Government (Financial Assistance) Act 1995 (Cth)* (the Act), which replaced the *Local Government (Financial Assistance) Act 1986 (Cth)* from 1 July 1995.

Funding from the Australian Government to local government began in 1974–75. At that time, funding was determined by the Commonwealth Grants Commission on an equalisation basis.

The *Local Government (Financial Assistance) Act 1986 (Cth)* introduced a new indexation formula which included the consumer price index and population growth. In addition, Local Government Grants Commissions were introduced to determine distributions to individual councils. These took into account horizontal equalisation and a 30 per cent minimum grant principle.

The 1990 Special Premiers' Conference determined that a local road component would be provided from 1 July 1991, in addition to the general purpose component. The untied local road component was introduced to replace specific purpose funding for local roads provided under the *Australian Land Transport Development Act 1988 (Cth)*. The local road formula, agreed to by all Premiers, is intended to help local government with the cost of maintaining local roads.

The Act introduced the untied local road component and formalised a set of National Principles. Each Local Government Grants Commission must consider the National Principles when determining allocations to local governing bodies. Further information on the National Principles is provided in Appendix A.

The objectives of the general purpose component include improving the capacity of local governments to provide their communities with an equitable level of services and increasing local government's efficiency and effectiveness. The objective of the identified road component is to support local governing bodies with funding allocated on the basis of relative needs for roads expenditure and to preserve road assets.

Both components are paid quarterly to the states and territories and are to be passed on to local government without delay. The Financial Assistance Grant program is untied in the hands of local government, which means local governments are free to spend the funding according to local priorities.

Table 6 shows funding under the Financial Assistance Grant program since the introduction of the general purpose component in 1974–75 and the local road component in 1991–92.

## Quantum of financial assistance grant allocations

Table 6 shows funding under the Financial Assistance Grant program since the introduction of the general purpose component in 1974–75 and the local road component in 1991–92.

**Table 6** National financial assistance grant allocations, 1974–75 to 2018–19

Year	General purpose (\$)	Local road (\$)	Total (\$)
1974–75	56,345,000	n/a	56,345,000
1975–76	79,978,000	n/a	79,978,000
1976–77	140,070,131	n/a	140,070,131
1977–78	165,327,608	n/a	165,327,608
1978–79	179,426,870	n/a	179,426,870
1979–80 <sup>a</sup>	222,801,191	n/a	222,801,191
1980–81	302,226,347	n/a	302,226,347
1981–82	352,544,573	n/a	352,544,573
1982–83	426,518,330	n/a	426,518,330
1983–84	461,531,180	n/a	461,531,180
1984–85	488,831,365	n/a	488,831,365
1985–86	538,532,042	n/a	538,532,042
1986–87	590,427,808	n/a	590,427,808
1987–88	636,717,377	n/a	636,717,377
1988–89	652,500,000	n/a	652,500,000
1989–90	677,739,860	n/a	677,739,860
1990–91	699,291,988	n/a	699,291,988
1991–92 <sup>b</sup>	714,969,488	303,174,734	1,018,144,222
1992–93 <sup>c</sup>	730,122,049	318,506,205	1,048,628,254
1993–94	737,203,496	322,065,373	1,059,268,869
1994–95	756,446,019	330,471,280	1,086,917,299
1995–96 <sup>d</sup>	806,748,051	357,977,851	1,164,725,902
1996–97	833,693,434	369,934,312	1,203,627,746
1997–98	832,859,742	369,564,377	1,202,424,119
1998–99	854,180,951	379,025,226	1,233,206,177
1999–2000	880,575,142	390,737,104	1,271,312,246
2000–01	919,848,794	408,163,980	1,328,012,774
2001–02	965,841,233	428,572,178	1,394,413,411
2002–03	1,007,855,328	447,215,070	1,455,070,398
2003–04	1,039,703,554	461,347,062	1,501,050,616

## National financial assistance grant allocations, 1974–75 to 2018–19 (continued)

Year	General purpose (\$)	Local road (\$)	Total (\$)
2004–05	1,077,132,883	477,955,558	1,555,088,441
2005–06	1,121,079,905	497,456,144	1,618,536,049
2006–07	1,168,277,369	518,399,049	1,686,676,418
2007–08	1,234,986,007	547,999,635	1,782,985,642
2008–09	1,621,289,630	719,413,921	2,340,703,551
2009–10	1,378,744,701	611,789,598	1,990,534,299
2010–11	1,446,854,689	642,012,005	2,088,866,694
2011–12	1,856,603,939	823,829,803	2,680,433,742
2012–13	1,525,571,456	676,940,950	2,202,512,406
2013–14	798,026,429	354,107,812	1,152,134,241
2014–15	2,377,879,350	1,055,135,046	3,433,014,396
2015–16	792,547,187	351,676,511	1,144,223,698
2016–17	2,405,539,222	1,067,408,546	3,472,947,768
2017–18	1,670,887,544	741,421,976	2,412,309,520
2018–19	1,721,014,169	763,664,637	2,484,678,806
<b>Total</b>	<b>39,947,291,431</b>	<b>14,735,965,943</b>	<b>54,683,257,374</b>

Notes: a. Grants to the Northern Territory under the program commenced in 1979–80, with the initial allocation being 1,061,733.  
b. Before 1991–92, local road funding was provided as tied grants under different legislation.  
c. In 1992–93, part of the road grant entitlement of the Tasmanian and Northern Territory governments was reallocated to local government in these jurisdictions.  
d. Grants to the Australian Capital Territory under the program commenced in 1995–96.  
All funding represents actual entitlements.  
n/a = not applicable.

Source: Department of Infrastructure, Transport, Regional Development and Communications.

## Overview of current arrangements

The following actions were taken to distribute funding in 2018–19 to local government under the Financial Assistance Grant program and in accordance with the Act. They reflect the different roles and responsibilities that the Commonwealth and the states and territories, have under the Act.

- Before the start of the financial year, the Australian Government estimated the quantum of general purpose and local road components that were to be allocated to local government across the nation. This is equal to the national grant final entitlement for the previous financial year multiplied by the estimated escalation factor resulting from changes in population and the consumer price index.
- States and territories were advised of their estimated quantum of general purpose and local road components, calculated in accordance with the Act.

- Local Government Grants Commissions in each state and the Northern Territory recommended, to their local government minister, the general purpose and local road component allocations to be made to local governing bodies in their jurisdiction. The recommendations were made in accordance with National Principles formulated under the Act for allocating grants. The Australian Capital Territory does not have a Local Government Grants Commission as the territory government provides local government services in lieu of having a system of local government.
- State and Northern Territory local government ministers forwarded the recommendations of the Local Government Grants Commission in their jurisdiction to the Australian Government Minister (the Minister) responsible for local government.
- When satisfied that the states and territories had adopted the recommendations of their Local Government Grants Commissions, the Minister approved payment to the states and territories. The Australian Government paid the grant in quarterly instalments to the states and territories, which, without undue delay, passed them on to local governing bodies within their jurisdictions in accordance with the recommended allocations and as untied grants.
- When updated consumer price index and population information became available toward the end of the financial year, an actual escalation factor was calculated and the actual grant entitlement for 2018–19 was determined.
- Any difference between the estimated and actual entitlements in the current year is combined with the estimated entitlement in the next year to determine the next year's cash payment. This is known as the adjustment referred to in the Act.

## Determining the quantum of the grant

Section 8 of the Act specifies the formula that the Treasurer of the Commonwealth (the Treasurer) is to apply each year to calculate the escalation factors used to determine the funding under the Financial Assistance Grant program. The escalation factors are based on changes in the consumer price index and population.

The Act provides the Treasurer with discretion to increase or decrease the escalation factors in special circumstances. When applying this discretion, the Treasurer is required to have regard to the objects of the Act (below) and any other matter the Treasurer thinks relevant. The same escalation factor is applied to both the general purpose and local road components.

## Objects of the Act

Sub-section 3(2) of the Act states the objects as follows.

The Parliament of Australia wishes to provide financial assistance to the states for the purposes of improving:

- (a) the financial capacity of local governing bodies
- (b) the capacity of local governing bodies to provide their residents with an equitable level of services
- (c) the certainty of funding for local governing bodies

- (d) the efficiency and effectiveness of local governing bodies
- (e) the provision by local governing bodies of services to Aboriginal and Torres Strait Islander communities.

## Determining entitlements for 2018–19 and 2019–20

The calculations of the 2018–19 actual entitlement and the 2019–20 estimated entitlement, using the final escalation factor (the final factor) and estimated escalation factor (the estimated factor), are set out in Figure 1 and Figure 2 respectively.

The estimated entitlement for 2018–19 was \$1.2 billion, consisting of \$851.3 million under the general purpose component and \$377.8 million under the identified local road component (see Table 7).

In the 2019–20 Budget, the Australian Government announced their decision to bring forward \$1.3 billion of the 2019–20 estimate into 2018–19. This resulted in payments of \$1.3 billion to jurisdictions for immediate distribution to local government. This funding consisted of a general purpose component of \$883.1 million and a local road component of \$391.9 million. The brought forward payment was provided for under amendments made to the Act in 2009 (see Table 7).

The final entitlement for 2018–19 was \$2.5 billion. This consisted of a general purpose component of \$1.7 billion and an identified local road component of \$763.7 million (see Table 8).

The negative adjustment of \$19.4 million was applied to the estimated entitlement in the following year (2019–20). The adjustment reflects the difference between the estimated entitlement at the beginning of the financial year and the final entitlement at the end of the financial year.

Under the Act, population estimates are applied to the estimated and final entitlements. As such, jurisdictions experiencing a negative population change from one year to the next will receive a declining share of the general purpose component. In 2018–19, both Queensland and Western Australia experienced a decreasing population share.

Figure 1     *Determining the final factor for 2018–19*

Under section 8 of the *Local Government (Financial Assistance) Act 1995 (Cth)* (the Act), the unadjusted factor for 2018–19 was calculated as follows:

$$\text{Unadjusted factor} = \frac{\text{Population of Australia at 31 December 2017}}{\text{Population of Australia at 31 December 2016}} \times \frac{\text{Consumer Price Index at March 2019}}{\text{Consumer Price Index at March 2018}}$$

That is:

$$\text{Unadjusted factor} = \frac{24,770,829}{24,378,113} \times \frac{114.1}{112.6} = 1.0297$$

However, to account for the Australian Government's decision to bring forward the first two quarter payments in 2018–19 to the 2017–18 financial year, the unadjusted factor was adjusted in accordance with section 8(1)(c) of the Act as follows:

$$\text{Unadjusted factor} = \frac{\text{2018–19 unadjusted amount} - \text{2017–18 adjustment amount} + \text{2019–20 adjustment amount}}{\text{2017–18 final entitlement}} \times \frac{1}{\text{Unadjusted factor}}$$

This equates to an adjustment factor of:

$$\text{Adjustment factor} = \frac{2,437,978,592 - 1,228,343,283 + 1,274,978,776}{2,412,309,520} \times \frac{1}{1.0297} = 1.0003$$

Therefore, the final factor for 2018–19 was determined through the multiplication of the unadjusted factor and the adjustment factor as follows:

$$\text{Final factor} = \text{unadjusted factor (1.0297)} \times \text{adjustment factor (1.0003)} = 1.0300$$

## Figure 2 Determining the estimated factor for 2019–20

Under section 8 of the *Local Government (Financial Assistance) Act 1995 (Cth)* (the Act), the unadjusted factor for 2019–20 was calculated as follows:

$$\text{Unadjusted factor} = \frac{\text{Population of Australia at 31 December 2018}}{\text{Population of Australia at 31 December 2017}} \times \frac{\text{Consumer Price Index at March 2020}}{\text{Consumer Price Index at March 2019}}$$

That is:

$$\text{Unadjusted factor} = \frac{25,175,586}{24,770,829} \times \frac{116.8}{114.1} = 1.0405$$

In order to account for the Government's decision to bring forward the first two quarter payments in 2019–20 to the 2018–19 financial year, the unadjusted factor will be adjusted, in accordance with paragraph 8(1)(c) of the Act as follows:

$$\text{Unadjusted factor} = \frac{\text{2019–20 unadjusted amount} - \text{2018–19 adjustment amount}}{\text{2018–19 final entitlement}} \times \frac{1}{\text{Unadjusted amount}}$$

$$\text{Adjustment factor} = \frac{2,536,716,725 - 1,274,978,776}{2,484,678,806} \times \frac{1}{1.0405} = 0.4880$$

The estimated factor for 2019–20 was determined through the multiplication of the unadjusted factor and the adjustment factor as follows:

$$1.0405 \times 0.4880 = 0.5078$$

Table 7 Estimated entitlements and cash paid in 2018-19

	2017-18 final entitlement	2018-19 estimated factor	2018-19 estimated entitlement	2017-18 adjustment and bring forward	2018-19 cash payment
	\$		\$	\$	\$
General purpose	1,670,887,544	x	851,317,204	Plus	1,734,217,972
Local road	741,421,976	x	377,754,497	Plus	769,523,553
<b>Total</b>	<b>2,412,309,520</b>		<b>1,229,071,701</b>	<b>Plus</b>	<b>2,503,741,525</b>
<b>General purpose</b>			<b>31 December 2017 population*</b>		
NSW	534,495,517	7,922,257	272,075,008	Plus	554,453,326
Vic	427,859,074	6,386,983	219,509,131	Plus	446,842,316
Qld	334,722,364	4,962,922	170,669,566	Plus	347,728,768
WA	175,694,813	2,582,377	88,849,608	Plus	180,636,980
SA	117,710,185	1,728,159	59,400,624	Plus	121,127,399
Tas	35,627,478	525,030	18,035,408	Plus	36,876,472
NT	16,871,513	246,864	8,481,035	Plus	17,333,808
ACT	27,906,600	416,237	14,296,824	Plus	29,218,903
<b>Total</b>	<b>1,670,887,544</b>	<b>24,770,829</b>	<b>851,317,204</b>	<b>Plus</b>	<b>1,734,217,972</b>
<b>Local road</b>			<b>2018-19 estimated factor</b>		
NSW	215,109,780	x	109,598,433	Plus	223,262,929
Vic	152,854,396	x	77,879,315	Plus	158,647,925
Qld	138,915,314	x	70,777,352	Plus	144,180,519
WA	113,364,511	x	57,759,218	Plus	117,661,284
SA	40,746,159	x	20,760,168	Plus	42,290,531
Tas	39,290,123	x	20,018,318	Plus	40,779,309
NT	17,367,678	x	8,848,832	Plus	18,025,952
ACT	23,774,015	x	12,112,861	Plus	24,675,104
<b>Total</b>	<b>741,421,976</b>		<b>377,754,497</b>	<b>Plus</b>	<b>769,523,553</b>

Notes: \* Based on statistics provided by the Australian Statistician on 21 June 2018.

Source: Department of Infrastructure, Transport, Regional Development and Communications.



Table 8 Final entitlement and adjustments for 2018–19

	2017–18 final entitlement	2018–19 final factor	2018–19 final entitlement	2018–19 estimated entitlement	2018–19 adjustment <sup>#</sup>		
	\$		\$	\$	\$		
General purpose	1,670,887,544	x	1,3000 =	1,721,014,169	less	851,317,204 =	869,696,965
Local road	741,421,976	x	1,3000 =	763,664,637	less	377,754,497 =	385,910,140
Total	2,412,309,520		1 184 275 189	less		1,229,071,701 =	1,255,607,105
General purpose			31 December 2017 population*				
NSW	534,495,517		7,922,257	550,418,258	less	272,075,008 =	278,343,250
Vic	427,859,074		6,386,983	443,751,327	less	219,509,131 =	224,242,196
Qld	334,722,364		4,962,922	344,811,192	less	170,669,566 =	174,141,626
WA	175,694,813		2,582,377	179,416,983	less	88,849,608 =	90,567,375
SA	117,710,185		1,728,159	120,068,090	less	59,400,624 =	60,667,466
Tas	35,627,478		525,030	36,477,748	less	18,035,408 =	18,442,340
NT	16,871,513		246,864	17,151,483	less	8,481,035 =	8,670,448
ACT	27,906,600		416,237	28,919,088	less	14,296,824 =	14,622,264
Total	1,670,887,544		24,770,829	1,721,014,169	less	851,317,204 =	869,696,965
Local road			2018–19 final factor				
NSW	215,109,780	x	1,3000 =	221,563,073	less	109,598,433 =	111,964,640
Vic	152,854,396	x	1,3000 =	157,440,028	less	77,879,315 =	79,560,713
Qld	138,915,314	x	1,3000 =	143,082,773	less	70,777,352 =	72,305,421
WA	113,364,511	x	1,3000 =	116,765,446	less	57,759,218 =	59,006,228
SA	40,746,159	x	1,3000 =	41,968,544	less	20,760,168 =	21,208,376
Tas	39,290,123	x	1,3000 =	40,468,827	less	20,018,318 =	20,450,509
NT	17,367,678	x	1,3000 =	17,888,708	less	8,848,832 =	9,039,876
ACT	23,774,015	x	1,3000 =	24,487,238	less	12,112,861 =	12,374,377
Total	741,421,976			763,664,637	less	377,754,497 =	385,910,140

Notes: \* Based on statistics provided by the Australian Statistician on 21 June 2018.

# Adjustment includes the bring forward payment from 2019–20 paid in June 2018 and indexation inherent in the Treasurer's Determination.

Source: Department of Infrastructure, Transport, Regional Development and Communications.

## Variations in reported grants

At the beginning of each financial year, the quantum of the grant to local government is estimated using the estimated factor, which is based on forecasts of the consumer price index and population changes for the year.

At the end of each financial year, the actual or final grant for local government is calculated using the final factor, which is based on updated consumer price index and population figures.

Invariably there is a difference between the estimated and actual grant entitlements. This difference is combined with the estimated entitlement in the following financial year to provide the cash payment for the next year.

Figures provided in Appendix D and Appendix E reflect the requirement under the Act to provide a comparison of councils at the national level. To do this, final allocations are calculated on a per capita (general purpose) and per kilometre (local road) basis. This may differ from the comparison calculations used by Local Government Grants Commissions in each jurisdiction.

Consequently, there are numerous ways in which funding provided under the Financial Assistance Grant program can be reported.

## Inter-jurisdictional distribution of grant

The Act specifies that the general purpose component is to be divided among the jurisdictions on a per capita basis. The distribution is based on the Australian Bureau of Statistics' estimate of each jurisdiction's population and the estimated population of all states and territories as at 31 December of the previous year.

In contrast, each jurisdiction's share of the local road component is fixed. The distribution is based on shares determined from the former tied grant arrangements (see *History of the interstate distribution of local road grants in the 2001–02 Local Government National Report*). Therefore, the local road share for each state and territory is determined by multiplying the previous year's funding by the estimated factor as determined by the Treasurer.

The 2018–19 allocations of general purpose and local road grants among jurisdictions is provided in Table 9, while Table 10 provides a comparison to 2017–18 allocations.

Table 9 2018–19 final entitlement allocations of general purpose and local road grants among jurisdictions

State	General purpose (GP)					Local road (LR)					Total grant		
	GP final entitlement	GP bring forward paid in June 2017	Total GP final and bring forward	% of total GP pool	31 Dec 2016 population*	per capita	LR final entitlement	LR bring forward paid in June 2017	Total LR final and bring forward	% of LR pool	Kilo-metres	% of LR length	\$ per km
	\$	\$	\$				\$	\$	\$		km		
NSW	278,434,354	271,983,904	550,418,258	32.0	7,922,257	69.48	112,029,595	109,533,478	221,563,073	29.0	146,647	22.1	1,510.86
Vic	224,282,797	219,468,530	443,751,327	25.8	6,386,983	69.48	79,606,869	77,833,159	157,440,028	20.6	131,985	19.9	1,192.86
Qld	174,302,040	170,509,152	344,811,192	20.0	4,962,922	69.48	72,347,367	70,735,406	143,082,773	18.7	150,309	22.7	951.92
WA	90,474,906	88,942,077	179,416,983	10.4	2,582,377	69.48	59,040,460	57,724,986	116,765,446	15.3	127,887	19.3	913.04
SA	60,736,691	59,331,399	120,068,090	7.0	1,728,159	69.48	21,220,679	20,747,865	41,968,544	5.5	78,210	11.8	536.61
Tas.	18,524,703	17,953,045	36,477,748	2.1	525,030	69.48	20,462,374	20,006,453	40,468,827	5.3	14,173	2.1	2,855.35
NT	8,731,161	8,420,322	17,151,483	1.0	246,864	69.48	9,045,120	8,843,588	17,888,708	2.3	13,285	2.0	1,346.53
ACT	14,714,852	14,204,236	28,919,088	1.7	416,237	69.48	12,381,555	12,105,683	24,487,238	3.2	-	0.0	-
<b>Total</b>	<b>870,201,504</b>	<b>850,812,665</b>	<b>1,721,014,169</b>	<b>100.0</b>	<b>24,770,829</b>	<b>69.48</b>	<b>386,134,019</b>	<b>377,530,618</b>	<b>763,664,637</b>	<b>100.0</b>	<b>662,496</b>	<b>100.0</b>	<b>1,152.71</b>
													<b>2,484,678,806</b>
													<b>100.0</b>

Note: \* Excludes other territories comprising Jervis Bay Territory, Christmas Island and the Cocos (Keeling) Islands.

Source: Department of Infrastructure, Transport, Regional Development and Communications.

Table 10 2018-19 final entitlement and percentage change from 2017-18

State	General purpose (GP)				Local road (LR)				Total entitlement			
	2018-19 final entitlement	2017-18 final entitlement	% change from 2017-18 final entitlement	2018-19 LR final entitlement	2017-18 LR final entitlement	% change from 2017-18 final entitlement	2018-19 final entitlement		2017-18 final entitlement		% change from 2017-18 final entitlement	
							\$	\$	\$	\$		
NSW	550,418,258	534,495,517	3	221,563,073	215,109,780	3	771,981,331	749,605,297	3			
Vic	443,751,327	427,859,074	4	157,440,028	152,854,396	3	601,191,355	580,713,470	4			
Qld	344,811,192	334,722,364	3	143,082,773	138,915,314	3	487,893,965	473,637,678	3			
WA	179,416,983	175,694,813	2	116,765,446	113,364,511	3	296,182,429	289,059,324	2			
SA	120,068,090	117,710,185	2	41,968,544	40,746,159	3	162,036,634	158,456,344	2			
Tas	36,477,748	35,627,478	2	40,468,827	39,290,123	3	76,946,575	74,917,601	3			
NT	17,151,483	16,871,513	2	17,888,708	17,367,678	3	35,040,191	34,239,191	2			
ACT	28,919,088	27,906,600	4	24,487,238	23,774,015	3	53,406,326	51,680,615	3			
Total	1,721,014,169	1,670,887,544	3	763,664,637	741,421,976	3	2,484,678,806	2,412,309,520	3			

Source: Department of Infrastructure, Transport, Regional Development and Communications.

## National Principles for the allocation of grants under the Act

As outlined in section 6 of the Act, the Australian Government Minister (the Minister) is required to formulate National Principles in consultation with state and territory ministers for local government and a body or bodies representative of local government. The National Principles guide the states and the Northern Territory in allocating funding from the Financial Assistance Grant program to local governing bodies within their jurisdiction.

The National Principles are set out in full in Appendix A.

## Determining the distribution of grants within jurisdictions

Under sections 11 and 14 of the Act, funding under the Financial Assistance Grant program can only be paid to jurisdictions (other than the Australian Capital Territory) that have established a Local Government Grants Commission. The Australian Capital Territory does not have a Local Government Grants Commission because its government provides local government services.

The Local Government Grants Commissions make recommendations, in accordance with the National Principles, on the quantum of the funding to be allocated to local governing bodies under the Financial Assistance Grant program. The state and Northern Territory governments determine the membership of, and provide resources for, their respective Local Government Grants Commissions. Further detail on the Local Government Grants Commissions is provided in Figure 3.

Once each Local Government Grants Commission has calculated the recommended allocations to local governing bodies in its jurisdiction under the Financial Assistance Grant program, the relevant state or Northern Territory minister recommends the allocations to the Australian Government Minister (the Minister) responsible for local government for approval. The Act requires that the Minister be satisfied that the states and the Northern Territory have adopted the recommendations of their Local Government Grants Commission.

As a condition for paying funding under the Financial Assistance Grant program, Section 15 of the Act requires that the states and the Northern Territory must provide the funding to local government without undue delay and without conditions, giving local government discretion to use the funds for local priorities.

Further, the Act requires the state and Northern Territory treasurers to give the Minister, as soon as practicable after 30 June each year, a statement detailing payments made to local government during the previous financial year, including the date the payments were made, as well as a certificate from their respective Auditor-General certifying that the statement is correct.

Funding under the Financial Assistance Grant program is paid in equal quarterly instalments. The first payment for each financial year is paid as soon as statutory conditions are met. One of the requirements of the Act is that the first payment cannot be made before 15 August.

Figure 3     Local government grants commissions

Section 5 of the *Local Government (Financial Assistance) Act 1995* (Cth) (the Act) specifies the criteria a body must satisfy to be recognised as a local government grants commission. These criteria are:

- the body is established by a law of a state or the Northern Territory
- the principal function of the body is to make recommendations to the state or territory government about provision of financial assistance to local governing bodies in the state or territory
- the Minister is satisfied that the body includes at least two people who are or have been associated with local government in the state or territory, whether as members of a local governing body or otherwise.

Section 11 of the Act requires local government grants commissions to: hold public hearings in connection with their recommended grant allocations; permit or require local governing bodies to make submissions to the commission in relation to the recommendations; and make their recommendations in accordance with the National Principles.

The legislation establishing local government grants commissions in each state and the Northern Territory are:

New South Wales	<i>Local Government Act 1993</i>
Victoria	<i>Victoria Grants Commission Act 1976</i>
Queensland	<i>Local Government Act 2009</i>
Western Australia	<i>Local Government Grants Act 1978</i>
South Australia	<i>South Australian Local Government Grants Commission Act 1992</i>
Tasmania	<i>State Grants Commission Act 1976</i>
Northern Territory	<i>Local Government Grants Commission Act 1986</i>

## Bodies eligible to receive funding under the Financial Assistance Grant program

All local governing bodies constituted under state and territory legislation are automatically local governing bodies.

In addition, section 4(2)(b) of the Act provides for:

...a body declared by the Minister, on the advice of the relevant state minister, by notice published in the Gazette, to be a local governing body for the purposes of this Act.

In addition to the Australian Capital Territory, 545 local governing bodies, including 10 declared local governing bodies made eligible under section 4(2)(b), received funding under the Financial Assistance Grant program in 2018–19 (Table 11).

**Table 11** Distribution of local governing bodies, by type and jurisdiction

Type	NSW <sup>c</sup>	Vic	Qld	WA	SA <sup>e</sup>	Tas	NT <sup>d</sup>	Total
Local governments <sup>a</sup>	128	79	77	137	68	29	17	535
Declared local governing bodies <sup>b</sup>	3	—	—	—	6	—	1	10
<b>Total</b>	<b>131</b>	<b>79</b>	<b>77</b>	<b>137</b>	<b>74</b>	<b>29</b>	<b>18</b>	<b>545</b>

Notes: a These are local governing bodies eligible under section 4(2)(a) of the *Local Government (Financial Assistance) Act 1995 (Cth)*.

b These are declared local governing bodies under section 4(2)(b) of the *Local Government (Financial Assistance) Act 1995 (Cth)*.

c Includes Lord Howe Island, Silverton and Tibooburra.

d Includes the Northern Territory Roads Trust Account.

e Includes the Outback Communities Authority.

Source: Department of Infrastructure, Transport, Regional Development and Communications.

## Methodologies of Local Government Grants Commissions

Local Government Grants Commissions each have their own methodology for allocating funds to local government in their jurisdiction.

When allocating the general purpose component, Local Government Grants Commissions assess the amount each local government would need to be able to provide a standard range and quality of services while raising revenue from a standard range of rates and other income sources. The Local Government Grants Commissions then develop recommendations that take into account each local governing body's assessed need. The recommended allocation of the local road component is based on the Local Government Grants Commissions' assessment of the local governing bodies' road expenditure needs. Local Government Grants Commissions are required to make their recommendations in line with the National Principles (see Appendix A).

A detailed description of each Local Government Grants Commission's methods can be found in Appendices B and C and at the internet addresses in Figure 4 below.

**Figure 4** Internet addresses for Local Government Grants Commissions

Jurisdiction	Internet address
New South Wales	<a href="https://www.olg.nsw.gov.au/commissions-and-tribunals/grants-commission">https://www.olg.nsw.gov.au/commissions-and-tribunals/grants-commission</a>
Victoria	<a href="https://www.localgovernment.vic.gov.au/council-funding-and-grants/victoria-grants-commission">https://www.localgovernment.vic.gov.au/council-funding-and-grants/victoria-grants-commission</a>
Queensland	<a href="https://www.statedevelopment.qld.gov.au/local-government/governance/queensland-local-government-grants-commission">https://www.statedevelopment.qld.gov.au/local-government/governance/queensland-local-government-grants-commission</a>
Western Australia	<a href="https://www.dlgsc.wa.gov.au/local-government/local-governments">https://www.dlgsc.wa.gov.au/local-government/local-governments</a>
South Australia	<a href="http://www.dpti.sa.gov.au/local_govt/LGGC">http://www.dpti.sa.gov.au/local_govt/LGGC</a>
Tasmania	<a href="http://www.treasury.tas.gov.au/state-grants-commission">http://www.treasury.tas.gov.au/state-grants-commission</a>
Northern Territory	<a href="http://www.grantscommission.nt.gov.au">http://www.grantscommission.nt.gov.au</a>

## Allocations to local government in 2018–19

The Australian Government Minister with responsibility for local government (the Minister) agreed to the allocations of funding under the Financial Assistance Grant program to local governing bodies for 2018–19, as recommended by Local Government Grants Commissions through state and Northern Territory ministers. Appendix D contains the final entitlements for 2018–19.

Table 12 provides the average general purpose allocation per capita provided to local governing bodies by jurisdiction and the Australian Classification of Local Governments. The average local road component per kilometre provided to local governing bodies by jurisdiction and the Australian Classification of Local Governments is outlined in Table 13.

The results in these tables suggest there are some differences in outcomes between jurisdictions. Notwithstanding the capacity of the Australian Classification of Local Governments classification system to group similar local governing bodies, it should be noted that considerable scope for divergence within these categories remains. This divergence can occur because of a range of factors including isolation, population distribution, local economic performance, daily or seasonal population changes, age of population and geographic differences.



Table 12 Average general purpose component per capita to councils 2018–19

Classification	Jurisdiction (\$)						
	NSW	Vic	Qld	WA	SA	Tas	NT
Urban Capital City (UCC)	20.62	20.60	20.60	20.57	20.59	20.62	21.23
Urban Developed Small (UDS)	21.44	n/a	n/a	20.57	20.59	n/a	n/a
Urban Developed Medium (UDM)	20.73	n/a	n/a	20.57	20.59	n/a	n/a
Urban Developed Large (UDL)	20.62	23.41	n/a	20.57	20.59	n/a	n/a
Urban Developed Very Large (UDV)	25.78	33.70	n/a	20.57	34.63	n/a	n/a
Urban Regional Small (URS)	157.07	202.34	179.09	57.30	126.53	64.58	33.94
Urban Regional Medium (URM)	93.86	152.36	109.38	46.21	22.25	20.62	n/a
Urban Regional Large (URL)	82.86	111.74	48.52	n/a	n/a	n/a	n/a
Urban Regional Very Large (URV)	68.62	71.09	22.39	n/a	n/a	n/a	n/a
Urban Fringe Small (UFS)	n/a	71.59	78.03	54.02	38.73	85.72	21.23
Urban Fringe Medium (UFM)	43.30	70.51	54.32	22.60	20.59	20.62	n/a
Urban Fringe Large (UFL)	59.06	85.80	n/a	20.57	103.19	n/a	n/a
Urban Fringe Very Large (UFV)	43.37	60.36	n/a	20.57	31.53	n/a	n/a
Rural Significant Growth (RSG)	n/a	n/a	n/a	20.57	n/a	n/a	n/a
Rural Agricultural Small (RAS)	247.54	n/a	n/a	928.06	704.72	509.77	n/a
Rural Agricultural Medium (RAM)	734.75	820.83	903.36	255.84	403.66	226.86	n/a
Rural Agricultural Large (RAL)	414.19	478.39	n/a	240.33	226.09	208.58	n/a
Rural Agricultural Very Large (RAV)	253.49	234.84	403.80	114.39	166.75	102.54	21.23
Rural Remote Extra Small (RTX)	571.33	n/a	8,436.64	9,639.08	529.04	n/a	55.29
Rural Remote Small (RTS)	n/a	n/a	2,897.25	2,145.43	n/a	676.29	263.95
Rural Remote Medium (RTM)	2,073.81	n/a	1,558.29	1,110.27	491.75	n/a	107.02
Rural Remote Large (RTL)	842.49	n/a	1,024.84	239.37	n/a	n/a	235.58
<b>Total per capita</b>	<b>68.72</b>	<b>68.66</b>	<b>68.67</b>	<b>68.57</b>	<b>68.63</b>	<b>68.73</b>	<b>70.77</b>
<b>Average</b>							<b>68.68</b>

Note: n/a = not applicable.

Source: Department of Infrastructure, Transport, Regional Development and Communications.

Table 13 Average local road component per kilometre to councils 2018–19

Classification	Jurisdiction (\$)						
	NSW	Vic	Qld	WA	SA	Tas	NT
Urban Capital City (UCC)	4,521.97	2,950.54	2,803.14	4,138.17	2,084.02	5,375.07	3,555.55
Urban Developed Small (UDS)	2,395.79	n/a	n/a	2,060.04	2,347.72	n/a	n/a
Urban Developed Medium (UDM)	3,104.98	n/a	n/a	2,232.93	2,126.11	n/a	n/a
Urban Developed Large (UDL)	3,303.47	1,655.56	n/a	2,087.97	2,044.38	n/a	n/a
Urban Developed Very Large (UDV)	2,844.32	1,688.70	n/a	2,188.67	2,302.34	n/a	n/a
Urban Regional Small (URS)	1,461.28	1,140.76	689.38	1,367.71	757.21	3,308.56	3,664.74
Urban Regional Medium (URM)	1,639.26	1,212.41	746.91	1,291.50	773.01	4,106.73	n/a
Urban Regional Large (URL)	2,076.01	1,362.69	1,001.55	n/a	n/a	n/a	738.73
Urban Regional Very Large (URV)	2,314.90	1,532.72	1,671.67	n/a	n/a	n/a	n/a
Urban Fringe Small (UFS)	n/a	1,348.70	732.36	1,370.63	561.07	2,720.55	3,303.04
Urban Fringe Medium (UFM)	1,870.72	1,466.55	843.75	1,864.07	704.91	3,043.55	n/a
Urban Fringe Large (UFL)	2,031.33	1,686.73	n/a	1,871.81	1,601.10	n/a	n/a
Urban Fringe Very Large (UFV)	2,292.86	1,700.49	n/a	2,005.29	2,644.51	n/a	n/a
Rural Significant Growth (RSG)	n/a	n/a	n/a	1,120.08	n/a	n/a	n/a
Rural Agricultural Small (RAS)	1,153.82	n/a	n/a	629.32	325.69	2,288.26	n/a
Rural Agricultural Medium (RAM)	1,036.73	826.30	604.91	842.45	260.16	2,426.45	n/a
Rural Agricultural Large (RAL)	1,097.40	655.70	n/a	1,161.43	376.98	2,509.89	n/a
Rural Agricultural Very Large (RAV)	1,187.36	1,075.94	634.57	817.43	341.30	2,536.73	3,562.57
Rural Remote Extra Small (RTX)	n/a	n/a	590.55	526.81	2,193.87	n/a	876.61
Rural Remote Small (RTS)	n/a	n/a	596.36	515.70	n/a	2,083.70	641.44
Rural Remote Medium (RTM)	983.39	n/a	604.44	469.98	48.53	n/a	1,423.47
Rural Remote Large (RTL)	1,007.99	n/a	624.32	891.41	n/a	n/a	990.01
<b>Total per kilometre</b>	<b>1,482.51</b>	<b>1,170.47</b>	<b>934.06</b>	<b>895.90</b>	<b>526.54</b>	<b>2,801.66</b>	<b>1,321.24</b>
							<b>1,131.07</b>

Note: n/a = not applicable.

Source: Department of Infrastructure, Transport, Regional Development and Communications.

## Local governing bodies on the minimum grant

Local governing bodies that receive the minimum grant entitlement generally fall within the capital city, urban developed or urban fringe classifications, as described in the Australian Classification of Local Government. Local governing bodies on the minimum grant are identified with a hash (#) in Appendix D. Table 14 provides details on local governing bodies on the minimum grant by jurisdiction, from 2009–10 to 2018–19. The per capita grant to minimum grant councils in 2018–19 was between \$20.57 and \$21.23.

The proportion of the population covered by local governing bodies on the minimum grant varies between jurisdictions. In 2018–19, the proportion ranged from 29.4 per cent in Victoria to 79.2 per cent in Western Australia. This generally reflects the degree of concentration of a jurisdiction's population in their capital city. Variations can also arise because of a local government's geographic structuring and differences in the methods used by Local Government Grants Commissions.

In 2018–19, the proportion of the general purpose grant that went to local governing bodies on the minimum grant was 13.8 per cent nationally. It varied from 8.8 per cent in Victoria to 23.8 per cent in Western Australia.

Local Government Grants Commissions determine the level of assistance that each local governing body requires to function, by reasonable effort, at a standard not lower than the average standard of other local governing bodies in the jurisdiction. In doing this, they consider the revenue-raising ability and expenditure requirements of each local governing body in the jurisdiction. Where a local governing body is on the minimum grant, its Local Government Grants Commission has determined that it requires less assistance to function, by reasonable effort, at a standard not lower than the average standard of other local governing bodies in the jurisdiction.

Over the past decade, the number of local governing bodies on the minimum grant increased from 94 in 2009–10 to 100 in 2018–19. The percentage of the population in minimum grant councils increased from 35.9 per cent in 2009–10 to 46.0 per cent in 2018–19. This resulted in an increase in the per capita grant to non-minimum grant local governments relative to that of minimum grant local governments. This trend is consistent with the National Principle for horizontal equalisation (see Appendix A).

Table 14 Councils on the minimum grant, by jurisdiction, 2009-10 to 2018-19

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>NSW</b>										
\$ general purpose	442,758,903	463,479,161	471,413,267	489,045,833	508,608,083	508,237,232	506,290,484	496,242,780	524,987,494	540,182,065
\$ to minimum grant councils	33,460,548	36,160,752	37,593,617	38,999,527	41,044,913	42,527,921	47,455,907	38,241,165	46,060,914	50,918,751
% to minimum grant councils	7.6	7.8	8.0	8.0	8.1	8.4	9.4	7.7	8.8	9.4
Population per jurisdiction	6,983,605	7,133,854	7,232,022	7,301,607	7,289,779	7,409,856	7,508,849	7,664,575	7,726,426	7,860,546
Population for minimum grant councils	1,759,235	1,855,282	1,922,430	1,940,916	1,960,961	2,066,788	2,343,212	1,915,270	2,259,648	2,469,834
% of population in minimum grant councils	25.2	26.0	26.6	26.6	26.9	27.9	31.2	25.0	29.0	31.4
Minimum grant councils/No. LGBs	21/155	22/155	23/155	23/155	23/155	24/155	26/155	18/131	20/131	19/131
<b>Vic</b>										
\$ general purpose	336,060,498	354,852,579	360,195,861	375,393,290	393,135,181	393,289,960	394,880,592	405,256,954	415,741,109	434,192,830
\$ to minimum grant councils	27,458,066	30,577,564	30,820,330	28,328,702	33,555,381	33,587,740	33,799,568	34,701,187	35,498,178	38,231,258
% to minimum grant councils	8.2	8.6	8.6	7.6	8.5	8.5	8.6	8.6	8.5	8.8
Population per jurisdiction	5,313,734	5,443,134	5,545,838	5,621,116	5,632,519	5,739,228	5,841,632	5,937,462	6,069,627	6,323,598
Population for minimum grant councils	1,447,208	1,563,445	1,581,774	1,413,974	1,600,743	1,633,808	1,664,977	1,694,716	1,727,523	1,856,004
% of population in minimum grant councils	27.2	28.7	28.5	25.2	28.4	28.5	28.5	28.5	28.5	29.4
Minimum grant councils/No. LGBs	12/79	12/79	13/79	12/79	13/79	13/79	13/79	13/79	13/79	13/79

## Councils on the minimum grant, by jurisdiction, 2009–10 to 2018–19 (continued)

	2009–10	2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19
<b>Qld</b>										
\$ general purpose	272,006,416	288,922,754	290,459,015	304,750,796	319,028,016	319,083,531	318,749,890	317,752,529	328,799,275	338,163,013
\$ to minimum grant councils	29,098,788	30,728,757	50,601,267	62,254,683	65,533,567	65,766,311	65,795,193	69,679,193	72,398,267	75,235,151
% to minimum grant councils	10.7	10.6	17.4	20.4	20.5	20.6	20.6	21.9	22.0	22.2
Population per jurisdiction	4,178,232	4,421,783	4,510,510	4,576,882	4,556,416	4,653,008	4,718,591	4,774,888	4,839,261	4,924,324
Population for minimum grant councils	1,489,934	1,567,615	2,619,274	3,116,561	3,138,148	3,196,772	3,246,648	3,490,246	3,551,854	3,651,910
% of population in minimum grant councils	35.7	35.5	58.1	68.1	68.9	68.7	68.8	73.1	73.4	74.2
Minimum grant councils/No. LGBs	2/73	2/73	6/73	8/73	8/77	9/77	9/77	10/77	10/77	10/77
<b>WA</b>										
\$ general purpose	137,579,902	146,620,875	151,667,051	157,781,551	171,319,297	172,194,345	173,592,719	165,885,062	176,085,070	176,932,279
\$ to minimum grant councils	31,045,359	33,132,023	34,286,560	35,432,688	38,760,735	39,026,105	38,981,399	35,870,819	4,128,1872	42,043,137
% to minimum grant councils	22.6	22.6	22.6	22.5	22.6	22.7	22.5	21.6	23.4	23.8
Population per jurisdiction	2,171,197	2,245,057	2,293,510	2,349,325	2,430,252	2,519,321	2,577,840	2,590,259	2,617,074	2,580,354
Population for minimum grant councils	1,633,126	1,691,057	1,728,272	1,758,611	1,832,803	1,903,262	1,920,784	1,871,379	2,047,990	2,043,836
% of population in minimum grant councils	75.2	75.3	75.4	74.9	75.4	75.5	74.5	72.2	78.3	79.2
Minimum grant councils/No. LGBs	31/139	31/139	31/138	30/138	31/138	31/138	31/138	29/137	31/137	32/137

## Councils on the minimum grant, by jurisdiction, 2009-10 to 2018-19 (continued)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>SA</b>										
\$ general purpose	101,127,276	105,434,395	107,468,610	110,938,451	115,072,530	114,528,245	113,431,086	112,980,736	115,773,190	118,284,887
\$ to minimum grant councils	16,309,932	17,542,801	14,330,230	17,938,909	18,042,090	17,154,972	16,990,531	17,610,038	17,798,588	18,040,646
% to minimum grant councils	16.1	16.6	13.3	16.2	15.7	15.0	15.0	15.6	15.4	15.3
Population per jurisdiction	1,603,361	1,623,590	1,644,582	1,656,299	1,654,778	1,670,827	1,685,714	1,685,714	1,708,135	1,723,548
Population for minimum grant councils	861,778	900,691	810,045	892,807	864,995	834,042	841,721	874,193	875,484	876,093
% of population in minimum grant councils	53.8	55.5	49.3	53.9	52.3	49.9	49.9	51.9	51.3	50.8
Minimum grant councils/No. LGBs	20/74	21/74	20/74	20/74	18/74	17/74	17/74	17/74	17/74	17/74
<b>Tas</b>										
\$ general purpose	31,433,715	32,611,864	33,677,077	34,471,522	35,487,132	35,201,332	34,554,111	34,214,228	34,954,441	35,800,944
\$ to minimum grant councils	3,994,953	4,775,551	3,620,178	3,714,379	5,219,534	5,182,417	5,091,852	5,049,338	5,168,245	5,327,655
% to minimum grant councils	12.7	14.6	10.8	10.8	14.7	14.7	14.7	14.8	14.8	14.9
Population per jurisdiction	497,529	503,292	507,643	510,519	512,019	513,159	514,762	516,586	519,063	520,877
Population for minimum grant councils	210,772	245,667	181,900	183,365	251,030	251,828	252,849	254,126	255,823	258,378
% of population in minimum grant councils	42.4	48.8	35.8	35.9	49.0	49.1	49.1	49.2	49.3	49.6
Minimum grant councils/No. LGBs	4/29	5/29	4/29	4/29	5/29	5/29	5/29	5/29	5/29	5/29

## Councils on the minimum grant, by jurisdiction, 2009–10 to 2018–19 (continued)

	2009–10	2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19
<b>NT</b>										
\$ general purpose	13,880,149	14,733,572	15,224,579	15,518,239	16,449,092	16,573,314	15,930,250	16,170,566	16,560,517	16,925,686
\$ to minimum grant councils	2,424,889	2,555,872	3,239,988	2,714,718	2,889,253	2,938,751	2,939,595	2,918,549	3,005,630	3,142,263
% to minimum grant councils	17.5	17.4	21.3	17.5	17.6	17.7	18.5	18.0	18.1	18.6
Population per jurisdiction	212,983	218,635	220,753	223,443	227,963	233,399	231,833	237,252	238,271	239,151
Population for minimum grant councils	124,029	126,424	156,597	130,295	133,471	137,953	140,441	142,735	144,149	147,995
% of population in minimum grant councils	58.2	57.8	70.9	58.3	58.6	59.1	60.6	60.2	60.5	61.9
Minimum grant councils/No. LGBs	4/16	4/16	6/16	5/16	5/16	5/18	5/18	5/18	5/18	4/18
<b>Australia</b>										
\$ general purpose	1,334,846,859	1,406,655,200	1,430,105,460	1,487,899,682	1,559,099,331	1,559,107,959	1,557,429,132	1,548,502,855	1,612,901,096	1,688,712,055
\$ to minimum grant councils	143,792,535	155,473,320	174,492,170	189,383,606	205,045,473	206,184,217	211,054,045	204,070,289	221,211,694	232,938,861
% to minimum grant councils	10.8	11.1	12.2	12.7	12.7	13.2	13.6	13.2	13.7	13.8
Population per jurisdiction	20,960,641	21,589,345	21,954,858	22,239,191	22,303,726	22,738,798	23,079,221	23,406,736	23,717,857	24,588,635
Population for minimum grant councils	7,526,082	7,950,181	9,000,292	9,436,529	9,782,151	10,024,453	10,410,632	10,242,665	10,862,471	11,304,050
% of population in minimum grant councils	35.9	34.3	41.0	42.4	43.1	44.1	45.1	43.8	45.8	46.0
Minimum grant councils/No. LGBs	94/565	97/565	103/564	102/564	97/568	104/570	106/570	97/545	97/545	100/545

Notes: The Northern Territory Road trust is not included as it does not receive an allocation under the general purpose component. LGB = local governing bodies.  
Source: Department of Infrastructure, Transport, Regional Development and Communications.

## Comparing councils

Councils often compare the grant they receive to that of other councils and assume that if another council gets a similar sized grant, then both councils have been assessed as having a similar relative need. This can be an incorrect assumption.

Local Government Grants Commissions implicitly determine a ranking for each council in their state on the basis of relative need when they allocate the general purpose grant and the local road grant to councils. An analysis of the grant per capita for the general purpose component can be used to compare relative need (Appendix E). Appendix E also shows the local road grant, where allocations for each council are divided by their length of local road to obtain a relative expenditure needs measure.

Councils are ranked from the greatest assessed relative need to the least assessed relative need. For each state and the Northern Territory, the position of the average general purpose grant per capita and the average local road grant per kilometre are also shown at the top of the ranking of councils. These state averages are taken from Table 12 and Table 13.

## Reviews of Local Government Grants Commission methodologies

Local Government Grants Commissions monitor outcomes and refine aspects of their allocation methodologies to be in line with the National Principle requirements of the Act. From time to time Local Government Grants Commissions undertake reviews of their methodologies.

Since the Act commenced in July 1995, most Local Government Grants Commissions have undertaken major reviews of their methodologies, are undertaking such examinations or have such activities planned (see Table 15 below).

The 2001 Commonwealth Grants Commission review of the operations of the Act reinforced the need to review the methodologies. The review identified the need to revise methodologies to achieve consistency with the principles of relative need, other grant support and Aboriginal and Torres Strait Islander peoples (Commonwealth Grants Commission 2001).

Table 15 Status of most recent major methodology reviews by state, as at 30 June 2019

State	General purpose grants	Local road grants
NSW	In 2018–19, the Commission commenced transitioning to a revised model which saw 47 expenditure allowances reduced to six in the General Purpose Component. All other elements of the methodology are being retained. To smooth the transition, no council's allocation decreased from 2017–18 and increases were capped at five per cent.	No changes to the methodology were implemented.
Vic	<p>The Commission continued to review and adjust its allocation methodology and made several changes to the general purpose grants methodology for the 2018–19 allocations. As a result:</p> <ul style="list-style-type: none"><li>• one-off adjustments to the estimated populations for all Victorian councils as at 30 June 2016, to reflect the outcomes of the 2016 census</li><li>• an adjustment to the calculation of relative capacity to raise rate revenue, to reflect the impact of rate capping</li><li>• the incorporation of 2016 census data into many of the cost adjusters, including Population Dispersion, Socio-Economic Disadvantage and Population Growth</li><li>• the incorporation of new data into the Environmental Risk (Fire and Flood) cost adjuster, to better reflect the relative risk to each council from bushfires and flood events.</li></ul>	Previous constraints applied to increases or decreases in local roads grants were removed for the 2018–19 allocations.



## Status of most recent major methodology reviews by state, as at 30 June 2019 (continued)

State	General purpose grants	Local road grants
Qld	In 2018–19, the maximum location cost adjustor was increased from 2 to 2.5 (the minimum is 1).	No changes to the methodology were implemented.
WA	<p>For 2018–19, there were a number of refinements, including the following:</p> <ul style="list-style-type: none"> <li>• data was updated to reflect the availability of new census data</li> <li>• receipt of an expanded set of rating data from the Office of the Valuer-General</li> <li>• more frequently updated climate data for input into the climate cost adjustor</li> <li>• reintroduction of the 2,000-person cap on townsites in the population dispersion cost adjustor</li> <li>• use of growth data in the 2015 WA Tomorrow Growth Report</li> <li>• the Commission's acceptance of the City of Busselton and the Shire of Collie as regional centres</li> <li>• changes to the scaleback method. Any council receiving less than 50 per cent of their equalisation was lifted to 50 per cent with the scaleback in 2018–19 determined to be 69 per cent. Any council above 69 per cent received a one per cent reduction in their general purpose grant. The remaining councils shared in the freed up funding. All WA councils will be transitioned to a common scaled back figure in the future.</li> </ul>	No changes to the methodology were implemented.
SA	The Commission did not make any changes to the methodology for distribution funding to local governing authorities for 2018–19. However, it implemented a range of constraints, between negative two per cent and positive 14 per cent, on changes in grants, to address some trends as a result of the indexation pause.	No changes to the methodology were implemented.
Tas	<ul style="list-style-type: none"> <li>• No major methodology changes were made to the base grant model in 2018–19, however, the Tourism Cost Adjustor will be phased out over two years.</li> <li>• With the inclusion of 2016 Census data, there were minor changes to the weightings of administration centres in its Dispersion Cost Adjustor.</li> <li>• Following a review, the General Practitioner Practice Allowance rate and the number of practices eligible for the allowance were updated. In future, this Allowance rate will be indexed in accordance with changes in the National Consumer Price Index.</li> </ul>	No methodology changes were made to the Road Preservation Model  Urbanisation Allowance Eligible Road Length Criteria Checklist used In 2018–19, which resulted in updated road lengths for some city councils.
NT	The Commission abolished the quarantined funds to the Alice Springs and Katherine councils and implemented a loss assist factor into the 2018–19 methodology. The loss assist factor was only applied to councils that stood to receive a loss greater than five per cent in grant funding. A total of six councils benefited from the loss assist parameter which totalled \$355,974.	No changes to the methodology were implemented.

Source: Department of Infrastructure, Transport, Regional Development and Communications.

## Impact of Local Government Grants Commission capping policies

Year-to-year variations in the data that Local Government Grants Commissions use to determine their allocations to local governments can lead to significant fluctuations in the funding provided to individual local governing bodies. Changes in Local Government Grants Commission methodologies to improve allocations, most likely to achieve horizontal equalisation, can also lead to fluctuations. As unexpected changes in annual funding allocations can impede efficient planning by local governments, Local Government Grants Commissions have adopted policies to ensure that changes are not unacceptably large from one year to the next.

Many Local Government Grants Commissions average the data of several years to reduce fluctuations. Nevertheless, policies to limit changes, by capping increases or decreases in grants, may be used to limit year-to-year variations.

No local governing body receives less than the minimum grant, so local governing bodies on the minimum grant are exempt from grant capping. In some circumstances, a Local Government Grants Commission may decide a local governing body's grant should not be capped. Usually, this is to allow a larger grant increase than would otherwise be possible.





## Local government efficiency and performance

Under section 16 of the *Local Government (Financial Assistance) Act 1995 (Cth)* (the Act), an annual report must be made to the Commonwealth Parliament on the operations of the Act. The report must include an assessment of the performance of local governments, including their efficiency, based on comparable national data.

Previous local government national reports have identified the difficulty of basing an assessment on comparable national data, due in large part to the different arrangements each jurisdiction has to collect and report on local government performance.

Each year jurisdictions are asked to report on measures undertaken to improve local government efficiency and performance.

### Developments in long-term financial and asset management plans

Jurisdictions were asked to report on developments in the use of long-term financial and asset management plans by local government during 2018–19. A summary of the progress for each jurisdiction follows.

Local councils in **New South Wales** report under an integrated planning and reporting (IP&R) framework to improve strategic planning, including long-term financial and asset management planning. This framework requires councils to prepare a suite of plans including a Long-Term Financial Plan (10 years+) and an Asset Management Policy, Strategy and Plans (10 years+).

In 2018–19, the NSW Government continued to provide oversight and support for councils developing and implementing Long-Term Financial and Asset Management Plans to improve their financial sustainability.

In **Victoria** the local government Finance and Accounting Support Team (FAST) program announced in 2017–18 is a four-year program that is designed to improve the financial sustainability of local governments, particularly those in rural and regional Victoria. The first year of the program included applications from councils for assistance with developing both long-term financial plans and asset management plans and strategies. These projects remain in progress.

The proposed Local Government Bill 2018 elevated the importance of strategic financial management and responsible asset management. The Bill provides for the introduction of 10-year financial plan and asset plans both of which be subject to deliberative engagement principles. The Local Government Bill 2018 was introduced into Parliament in 2018 but was not passed before Parliament was prorogued for the 2018 Elections.

All **Queensland** local governments are required to have long-term financial forecasts and asset management plans covering at least 10 years and to update the forecasts annually. To assist Local Governments to comply with this requirement, Queensland Treasury Corporation maintains the Local Government Forecast Model (LGFM). The LGFM is available to all Queensland local governments and includes five years of historical data and ten years of forecasts.

In October 2016, the Auditor-General of Queensland tabled a report on forecasting long-term sustainability of Local Government, containing recommendations for improvement. Individual local governments in Queensland continue to implement those recommendations where appropriate.

The **Local Government Association of Queensland (LGAQ)** reported that Queensland local government legislation has, for the last 12 years, obliged councils to adopt long-term (10-year) asset management plans and financial forecasts. Councils have responded well to this.

Long-term financial sustainability and financial planning for councils in Queensland and nationally will be significantly and materially improved through the provision of allocative, long-term funding programs that are indexed to council costs.

In **Western Australia**, all local governments were required to have developed and adopted two key documents by 30 June 2013: a Strategic Community Plan and a Corporate Business Plan. These were supported and informed by resourcing and delivery strategies, including an Asset Management Plan, a Long Term Financial Plan and a Workforce Plan. These all form part of the Integrated Planning and Reporting (IPR) Framework and the Advisory Standard, which sets out associated performance measures.

In **South Australia** during 2018–19, a number of small regional councils received a subsidy via the Building Capacity in Small Regional Councils program to enable council members and staff to attend relevant training courses to improve their core financial and asset management skills.

There has been continued improvement in the use of long-term financial and asset management plans by councils in **Tasmania**. In his 29 November 2018 report, the Tasmanian Auditor-General noted that councils have increasingly made use of financial and asset management plans, and that the number of councils without asset management plans decreased from 19 in 2011 to only one in 2017.

During 2018–19, the **Local Government Association of Tasmania (LGAT)** continued its involvement in developing and delivering several projects designed to better understand and improve strategic asset management practice and roles in long-term financial planning. The Auditor-General's 2018–19 annual report on the performance of local government entities showed that there were steady improvements to the aggregate performance and sustainability of councils for the financial year. This result was part of a general trend over time, with increasing numbers of councils with no underlying deficit.

LGAT continued to maintain an array of guidance material on long-term financial and asset management planning and managed the development of a strategic asset management plan template to support Tasmanian local government asset management, delivered in the 2018–19 financial year.

In the **Northern Territory** in 2018–19, a funding agreement was entered into between the **Local Government Association of the Northern Territory (LGANT)** and the then Department of Local Government, Housing and Community Development (the Department) to deliver initiatives to support long term financial and asset management plans.

One initiative in particular LGANT has driven is the Governance Essentials for Local Government and Finances course delivered by the Australian Institute of Company Directors. There was a section dealing with asset stewardship and long-term planning and, with 34 elected members from 11 councils participating, it was deemed very successful.

In the **Australian Capital Territory (ACT)** in 2018–19, the ACT Government

- continued to work on a coordinated long-term strategy for Canberra's infrastructure for government consideration.
- had its strategic infrastructure objectives outlined in its *Infrastructure Plan 2011–21*. The ACT Government publishes annual updates to the *Infrastructure Plan*.
- continued to plan, manage and review capital works projects under the *Capital Framework*.
- Transport Canberra and City Services reassessed the value of selected infrastructure and heritage and community assets in accordance with the ACT Accounting Policy, resulting in an increase in the asset value of \$420.4 million.

The ACT Government has implemented the Partnerships Framework to deliver major infrastructure projects and continues to provide guidance on the procurement of major, complex infrastructure projects. The ACT Government also supports a Strategic Asset Management (SAM) program, providing financial assistance for agencies to establish SAM Plans for management of the Territory's assets.

The **Australian Local Government Association (ALGA)** stated that all states and territories have implemented programs to assist councils to focus on long-term financial and asset management practices over the past decade. This is in line with agreements made by the Local Government and Planning Ministers Council in the mid-2000s.

To develop a better national understanding of local governments' non-financial assets and monitor progress, ALGA commissioned TechnologyOne Strategic Asset Management to develop the 2018 State of the Assets Report which estimated an infrastructure renewals backlog of around \$30 billion. Councils also estimate \$24 billion of current infrastructure value has poor capacity. The actual upgrade cost of substandard infrastructure is likely to be up to five times that value.

The issue of road user charging is becoming increasingly important as developments in motor vehicle technology, particularly improvements in fuel efficiency and the move to electric vehicles and then autonomous vehicles gather pace.

The Local Government Workforce Development Group (LGWDG) comprises representatives from the Local Government Association in each state and territory and provides advice on workforce matters to ALGA. In 2017, LGWDG undertook its Local Government Skills Shortage Survey to identify the current and emerging skill needs of local government to better position the sector for the future.

Findings from the above survey revealed:

- 69 per cent of local governments were experiencing a skill shortage and skill gaps with Engineers, Urban and Town Planners, Building Surveyors, Environmental Health Officers, and Project Managers topping the list of occupations in demand
- The key reasons behind the skills shortage are the inability of councils to compete with the private sector on remuneration; lack of suitably qualified/experienced candidates available locally; high demand across the labour market for certain occupations; and remoteness/location making it difficult for councils to attract and retain workers

- 60 per cent of local governments have unmet training needs arising from the high cost of training and lack of training available locally
- 70 per cent of local governments have done no analysis or forecasting of changing roles/skills requirements arising from digital disruption and technology changes
- All local governments responding to the Survey indicated the need to improve their position in relation to soft skills; ability to understand concepts across multiple disciplines; and digital skills
- Training availability, budgetary constraints and time constraints were the most commonly cited factors hindering staff gaining soft skills
- In the future councils are predicting an increase in use of part-time workers; a slight increase in the use of full-time and casual workers; and a decrease in the use of labour hire arrangements.<sup>1</sup>

## Performance measures between local governing bodies

All local governments have a legal requirement to report on their performance under their jurisdiction's local government legislation. This may be in the form of annual reports, performance statements, financial statements and/or strategic planning reports.

While not all performance information is publicly available, some jurisdictions provide a comparative analysis of local governments within their jurisdiction. This information is collected either by the responsible agency or by the Local Government Grants Commissions.

For this National Report, state and territory governments and local government associations were asked to report on measures undertaken in 2018–19 to develop and implement comparative local government performance indicators. A summary of these reports for each jurisdiction follows.

The publication of freely available time series data by the **New South Wales (NSW)** Government on NSW local councils has now been available for over thirty years. This enables comparisons against a range of performance indicators between councils and over time. In 2017–18, the Office of Local Government (OLG) produced an interactive website which displays key information about local governments across the State.

In 2018–19, the NSW Government engaged in constructive discussions both across NSW State agencies and with the local government sector about how best to measure and report on council performance. As part of this work, OLG provided input to sector-led work to deliver best practice performance and reporting frameworks. Throughout 2018–19 OLG continued to work closely with the NSW Audit Office, which plays a key role in conducting financial and performance audits under the *Local Government Act 1993*. Insights from these audits continue to provide valuable input to ongoing work to develop improved comparative performance measures at a State level over time.

In **Victoria** 2018 marked the fourth year of operation for the Local Government Performance Reporting Framework which along with the related Know Your Council website, [www.knowyourcouncil.vic.gov.au](http://www.knowyourcouncil.vic.gov.au), is designed to improve council transparency and accountability through enabling the community to access and compare council performance. The website requires all Victorian councils to annually collect and report their data against 59 performance indicators across 11 different service areas. As well as comparing councils,

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<sup>1</sup> Australian Local Government Association, *Local Government Workforce and Future Skills Report Australia, September 2018*, p3,6.



users can view trend data in addition to reading commentary from council explaining the context of their performance results.

The provision of information by the **Queensland** Government to the community through the Queensland Local Government Comparative Information Report continued in 2018–19. This report assists Local Governments in their endeavours to develop new and more effective ways to deliver their services by providing an effective tool by which they can monitor trends over time and benchmark services performance both internally and with other councils.

An initiative of the **Local Government Association of Queensland (LGAQ)**, Ready.Set.Go is an online tool able to be accessed by Queensland councils through the LGAQ member portal. This service provides comparative data for all seventy-seven Queensland councils stretching back a decade to 2010–11 across what has grown to forty-four performance metrics. Ready.Set.Go provides a parallel platform for 22 participating councils which have chosen to share a range of comparative workforce data covering employment type, gender, age and other workforce performance measures.

The Association also released a new community facing comparison site, [www.mycouncilstory.com.au](http://www.mycouncilstory.com.au), for 43 participating member councils. This website provides community access to a range of local governments' comparative performance measures. The LGAQ has also undertaken significant investment in establishing an enterprise grade data analytics platform for local government known as LG Sherlock. This service assists councils to access sophisticated analytics that can assist with local decision making, and most of the available data services provided include detailed comparative functions.

In April 2016, the MyCouncil comparative website was launched in **Western Australia**. MyCouncil enables users to compare key demographic and financial information. Data such as council expenditure by program, rates and other revenue and service delivery can be viewed for each council and compared with others. MyCouncil also includes information about each local government's financial health using the Financial Health Indicator (FHI).

In **South Australia** comparisons between councils on a wide range of data are facilitated by the annual publication by the SA Local Government Grants Commission of annual 'database reports' dating back to 1995–96.

The *Local Government (Financial Management) Regulations 2011* require councils to use three specific financial indicators in their financial planning and reporting: operating surplus ratio, net financial liabilities ratio and asset renewal funding ratio. The Office of Local Government published on its website trend data covering individual councils for 2018–19 in the Financial Indicators Dashboard.

Each year, the LGA assembles an update report providing the latest values, history and comparisons of key financial indicators for the local government sector as a whole. The 2019 update report, covering the period from 1 July 2000 until 30 June 2018, included data for the sector as a whole.

In **Tasmania** each year, the Auditor-General undertakes a financial analysis of Tasmanian local government sector entities. On 29 November 2018, the Auditor-General tabled his report for the 2017–18 financial year. The Auditor-General tracks and compares Tasmanian councils' financial sustainability using the following five key metrics: underlying surplus ratio, road asset sustainability ratio, road asset renewal funding ratio, road asset consumption ratio and net financial liabilities ratio. The Auditor-General also published a set of *Local Government Authorities Summary Tables (2017–18)* which provide a detailed comparative analysis of the local government sector.

In order to make comparative performance information more accessible, the Director of Local Government has committed to publishing a series of data 'snapshots', intended to help keep communities informed about council performance overtime, and enable councils to identify areas for improvement. Four snapshots were published in 2018–19.

The **Local Government Association of Tasmania** (LGAT) actively collaborated with the State Government on the collection, analysis, and reporting on a range of local government data and measures. Data captured annually through the consolidated data collection process was interrogated by a working group to determine the mechanisms for improving the use of the data. The first stage in this process saw data compiled and developed into a publicly available resource, this became the Tasmanian LIST (Land Use Information System). With the implementation of this program, work commenced on the development of a state-wide performance measurement program for Tasmanian councils. LGAT partnered with the State Government on the project which aimed to improve local government data accessibility and performance monitoring. Each year, the Auditor-General undertakes a financial analysis of councils and reports on this to Parliament.

In the **Northern Territory**, the **Local Government Association of the Northern Territory** (LGANT) circulated endorsed, sector-wide model financial statements to all councils to assist with preparing their annual financial statements. Most councils in the Northern Territory used this template as the basis for reporting their 2018–19 annual financial statements.

The **Australian Capital Territory** Government does not currently undertake comparative performance measures with other local governments. However, the ACT Government does participate in the *Productivity Commission's Annual Report on Government Services* (the Report). The Report outlines ACT performance relative to other State and Territory jurisdictions on key Government services.

As the **Australian Local Government Association** (ALGA) indicated, at the national level there are no overarching systems in place to collect, analyse and compare performance measures across the 537 local councils in Australia. Any performance measures that are in place are currently established and managed by state and territory governments often with a different approach. In the late 1990s Local Government Ministers considered such a system and agreed that it was not feasible, given the significant variation of services across state and territories.

## Efficiency and effectiveness reforms

As part of their reports, jurisdictions were asked to provide information on 2018–19 reforms to improve the efficiency and effectiveness of local government service delivery. A summary for each jurisdiction follows.

Through the *Local Government Amendment Act 2019*, the **New South Wales** Government extended time for councils formed by merger in 2016 to move to a single rating structure for the new local government area. This legislation also made improvements to arrangements for the administration of local government elections, increased the threshold for competitive tendering requirements and improved flexibility around procurement.

Through the Office of Local Government (OLG), the NSW Government also prescribed a new *Model Code of Conduct for Local Councils in NSW* and a new *Model Code of Meeting Practice for Local Councils in NSW*. It also introduced a requirement for councils to provide induction training to councillors in the first six months of each council term and ongoing professional development over the balance of the term.

In response to Regional Councils Sustainability Reform Program report, released in December 2017, and following extensive engagement with the sector, the Government of **Victoria** developed the Rural Council Transformation Program which was launched in August 2018. This program provided a \$20 million fund to encourage transformation across rural and regional Victoria. Four regional groupings, comprising 19 local governments were successful in the funding application. The magnitude and complexity of these reform initiatives, including major ICT enhancements will require implementation over a number of financial years.

In **Queensland** a key measure was completed in October 2019 when Queensland's Legislative Assembly passed the *Local Government Electoral (Implementing Stage 2 of Belcarra) and Other Legislation Amendment Act 2019*, which contained the following measures to improve the integrity, transparency, diversity and consistency to improve Local Governments in Queensland:

- Mandatory training for election candidates
- Transparent dedicated candidate bank accounts and financial returns
- New restrictions on decisions made during the election period (i.e. caretaker period)
- Clarified responsibilities for councillors in preparing council budgets
- Improve real time donation disclosures, disclosures of real donation and gift sources and expenditure disclosures.

In **Western Australia** in 2018–19, a Directors General Working Group was established to progress the implementation of an agreed work plan under the State Local Government Partnership Agreement which is an ongoing engagement mechanism between the State Government and local government to discuss and address issues of mutual interest.

The *Local Government Amendment (Suspension and Dismissal) Act*, which amended the *Local Government Act* came into effect from 20 November 2018. These changes protect the public interest and the system of local government by facilitating a timely intervention by the Minister when a local government is unable to carry out its functions.

The *Local Government Legislation Amendment Act 2019* introduced universal training for elected members, ongoing professional development, a new gifts framework, best practice standards for chief executive officer (CEO) recruitment, performance review and early termination, a new code of conduct and greater transparency with a wide range of information being required to be published on local government websites.

In **South Australia** the Local Government Research and Development Scheme continued as a primary source of funding for research in local government. From its inception in 1997 until 30 June 2019, the Scheme had approved over 730 projects, with approximately \$30 million in approved funding.

The Local Government Association of South Australia (LGASA) continued to provide, in 2018–19, a range of material, to assist councils to meet their governance obligations.

The State Government commenced a wide-ranging review of the *Local Government Act 1999* and related legislation in 2018–19. The review is focusing on the areas of: stronger council member capacity and better conduct; lower costs and enhanced financial accountability; efficient and transparent local government representation; and simpler regulation.

The South Australian Productivity Commission (the Productivity Commission) announced an Inquiry into Local Government Costs and Efficiency in May 2019. It is anticipated the Productivity Commission's final report will be delivered in 2019–20.

In **Tasmania**, following an agreement at the Premier's Local Government Council, the Local Government Association of Tasmania undertook a body of work which culminated in the release on 21 May 2019 of the *21st Century Councils—Structural Reform Discussion Paper*.

As a result of a review, the statewide Code of Conduct framework applying to all elected councilors was altered in December 2018. Councils were required to adopt the revised Model Code of Conduct by 26 March 2019.

Phase 1 of the review of Tasmania's local government legislation was completed in 2018–19, and included a Discussion Paper seeking feedback on the principles that should underpin a local government legislative framework. This marked the start of Phase 1 of the Review. As part of the consultation process in Phase 1, submissions to the Discussion Paper were called from all interested stakeholders. Consultation sessions were also held around the State throughout February 2019, giving the community and interested stakeholders an opportunity to engage with the Project Team and discuss the Review.

Phase 2 commenced with the release of a Reform Directions Paper in July 2019.

The objectives of the review, referred to above, of Tasmania's Local Government Legislation Framework, were to create a clear and contemporary legislative framework to facilitate greater innovation, flexibility, and productivity while minimising red tape and enhancing sector accountability and transparency.

The Terms of Reference for the Review were launched at the **Local Government Association of Tasmania** (LGAT) 2018 Annual Conference, with the final Terms settled by November 2018. In response to the review, LGAT delivered a submission to the State Government outlining the sector's desired scope and which specific areas of concern there were amongst local government. Further consultation processes between the sector, LGAT, and the State Government concluded with the Reform Directions Paper which outlined 51 reforms. Following further feedback, amendments to these reforms were made.

Following the completion of that stage of work, the State Government progressed towards broader consultation with stakeholders and communities on the proposed reforms.

In the **Northern Territory** during the year the then Department of Local Government, Housing and Community Development drafted an Elected Member Handbook which provided plain English information on the roles and responsibilities of elected members including meeting procedures, decision making processes and conflict of interest.

A major focus of the Department during the financial year was the development of, and consultation on, a new Local Government Act and Local Government Regulations to replace the *Local Government Act 2008* and Regulations. The proposed new legislation aims to clarify roles and responsibilities of elected members and streamline local government rules and processes. The Bill will enhance members' understanding of the local government system, as well as financial transparency.

One significant change introduced during 2018–19 was with the Independent Commission Against Corruption (ICAC) commencing operations. The **Local Government Association of the Northern Territory** (LGANT) in collaboration with ICAC facilitated forums and information sessions with 14 out of the 17 councils attending in Katherine on 11 April 2019.

Councils learnt about the powers and functions of ICAC as well as the obligations councils now have under legislation.

LGANT is required under its constitution to provide industrial relations services to its members. LGANT contracted the Western Australian Local Government Association (WALGA) Workplace Solutions to do much of this work.

In 2018–19, in the **Australian Capital Territory**, Access Canberra implemented the following reforms to improve the efficiency and effectiveness of service delivery:

- simplified forms, increased the number of digital services, continued development of the Fix My Street service, launched the Event Coordination Guide and streamlined processes to improve customer satisfaction at the Hume Motor Vehicle Inspection Station
- redeveloped a range of online public registers to make them more accessible and user friendly to access and reference, and continued to update a disciplinary register to allow consumers to be better informed when choosing a licensed trades person
- developed new website content and fact sheets to assist associations.

The **Australian Local Government Association** (ALGA) and its state and territory associations strongly support regional collaboration and shared services. ALGA opposes forced council amalgamations.

Councils and communities around Australia are embracing new technologies. Councils are developing more sophisticated websites and mobile apps to enhance service provision to their communities. For local government there are some significant gains from coordinated approaches to Information Communication Technology (ICT).

During 2018–19 some councils were signatories to the Federal Government's City or Regional Deals which facilitate a partnership between the three levels of government to work towards a shared vision for a place, town or region. The City and Regional Deal model provides greater co-ordination, certainty and efficiency of infrastructure provision.





## Aboriginal and Torres Strait Islander communities

### Reporting requirements

Aboriginal and Torres Strait Islander councils have been established under different legislative frameworks. They can be established under the mainstream local government legislation of a jurisdiction or through distinct legislation. They can also be 'declared' to be local governing bodies by the Australian Government Minister for Local Government on advice from a state or Northern Territory minister for the purpose of providing funding under the Financial Assistance Grant program.

Section 16 of the Act requires an assessment, based on comparable national data, of the delivery of local government services to Aboriginal and Torres Strait Islander communities.

During 2018–19, all jurisdictions pursued initiatives to promote the delivery of local government services to Aboriginal and Torres Strait Islander communities. A summary of key initiatives is also provided later in this chapter.

### Closing the Gap

In December 2008, the Council of Australian Governments (COAG) pledged to close key gaps in outcomes between Indigenous and non-Indigenous Australians. It recognised that a concerted national effort was needed to address Indigenous disadvantage in key areas. Six Closing the Gap targets were introduced, contained within an overarching Commonwealth and state and territory agreement called the National Indigenous Reform Agreement. A school attendance target was added in 2014 and an expanded early childhood target was added in 2015 following the expiry of the remote early childhood education target in 2013 (unmet).

As four of the seven targets were due to expire in 2018, the Australian Government has worked with Aboriginal and Torres Strait Islander people and state and territory governments to develop the Closing the Gap Refresh. This is a new framework which builds on the original Closing the Gap targets and represents a continued commitment in effort and accountability from all governments for a further ten years. The Closing the Gap Report for 2019 both acknowledges the future framework, while reporting progress against the original targets set in 2008.

There are currently seven Closing the Gap targets. Two targets, early childhood education and Year 12 attainment, are on track to be met.<sup>2</sup>

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<sup>2</sup> The final data points for targets set to expire in 2018 (child mortality, school attendance, literacy and numeracy, and employment) are not available.

- The target to halve the gap in child mortality rates by 2018 is not on track. Since the target baseline (2008), Indigenous child mortality rates have declined by 10 per cent (not statistically significant) but the gap has not narrowed as the non-Indigenous rate has declined at a faster rate.
- The target to have 95 per cent of Indigenous four year olds enrolled in early childhood education by 2025 is on track. In 2017, 95 per cent of Indigenous four year olds were enrolled in early childhood education.
- The target to close the gap in school attendance by 2018 is not on track. Attendance rates for Indigenous students have not improved between 2014 and 2018 (around 82 per cent in 2018) and remain below the rate for non-Indigenous students (around 93 per cent).
- The target to close the gap in life expectancy by 2031 is not on track. Between 2010–12 and 2015–17, Indigenous life expectancy at birth improved by 2.5 years for Indigenous males and by 1.9 years for Indigenous females (both not statistically significant), which has led to a small reduction in the gap.
- There is no new national data available for three targets and their status remains the same as for the 2018 Closing the Gap Report.<sup>3</sup> The target to halve the gap in Year 12 attainment or equivalent by 2020 is on track. The target to halve the gap in reading and numeracy by 2018 is not on track. The target to halve the gap in employment by 2018 is not on track.

Please note that this information reflects the status for the calendar year 2019. Further information on the current agreement and targets can be found at [www.closingthegap.gov.au](http://www.closingthegap.gov.au).

## State, territory and local government initiatives

An outline, provided by jurisdictions and local government associations, of key activities they undertake to improve the provision of local government services to Indigenous peoples in 2018–19 is as follows.

In **New South Wales** councils are required to prepare Integrated Planning and Reporting (IP&R) plans to facilitate strategic planning and delivery of council services to best meet community needs.

The IP&R framework allows councils and communities to respond flexibly to local need and includes a requirement for a community strategic plan to be developed in consultation with groups in the local community and based on principles of social justice.

The Collaborate NSW website provides information and advice to build council understanding of local Aboriginal culture and ways of doing business and to provide advice to Aboriginal and Torres Strait Islander people about how to become more involved in their council, including by nominating to be elected as a councillor.

In **Victoria** the Victorian Aboriginal and Local Government Action Plan (Action Plan) was launched by the Minister for Aboriginal Affairs and former Minister for Local Government, the Hon Natalie Hutchins, in December 2016. The Action Plan lists 23 Actions that have largely been achieved since its launch in 2016, through partnership between state government agencies, Aboriginal and other community organisations and councils.

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<sup>3</sup> The 2018 National Assessment Program—Literacy and Numeracy (NAPLAN) data were not available in time for inclusion in the 2019 Closing the Gap Report.



The Implementation Partnership Group comprising state government agencies, councils, Aboriginal and community organisations participated in a Workshop on 5 December 2018 to review progress against each action in the Action Plan and to identify areas for improvement of coordination and implementation. The Workshop also determined an approach to the further review of the Action Plan and development of a Victorian Aboriginal and Local Government Strategy incorporating Aboriginal self-determination principles.

A procurement for an independent Aboriginal business to undertake the wide-ranging review and future development of the Victorian Aboriginal and Local Government Strategy was undertaken during the year.

The **Queensland** Government continued to provide funding to Indigenous local governments to support the provision of local government services to their communities. In 2018–19, \$34.5 million was the funding pool for the State Government Financial Aid program for the state's 16 Indigenous councils. Each council received an allocation, in lieu of rates, to assist in the delivery of local government services such as community and town planning, urban storm water management, roads, environment and transport and water and sewerage.

Additionally, the Indigenous Councils Critical Infrastructure Program (ICCIP) is a \$120 million funding program that will deliver critical water, wastewater and solid waste infrastructure to Queensland's Indigenous councils. The program is being delivered over four years. The aim of ICCIP is to support Indigenous councils to deliver projects and infrastructure works relating to critical water, wastewater and solid waste assets, and provide a basis for the long-term strategic management of essential assets. This program allocated funding to all Indigenous local governments.

In 2017–18, the Queensland Government extended the Works for Queensland Program supporting 65 regional councils to undertake job-creating maintenance and minor infrastructure projects for a further two years (2017–18 to 2018–19). An additional \$200 million was allocated to 65 councils of which \$26.450 million of this allocated to Queensland's 16 Indigenous councils. Delivery of projects under this round will continue through to 30 June 2019.

Other funding provided by the Queensland Government to Indigenous councils in 2018–19 included \$3.525 million under the Revenue Replacement Program, an initiative under the State's alcohol-related harm reduction strategy for nine Indigenous local governments which compulsorily surrendered their council-held liquor licences in 2009. Funding was provided under this program to assist councils to maintain community services previously funded by the profits from alcohol sales.

Under the Indigenous Economic Development Grant program, with a total funding pool of \$1.44 million, the State continued its commitment to support Indigenous councils to employ municipal services staff. Each eligible council received \$80,000, except for Yarrabah and Palm Island Aboriginal Shire Councils and Northern Peninsula Area Regional Council, which each received \$160,000.

Fourteen priority infrastructure projects totaling \$4 million are being delivered in nine Indigenous council areas under the 2017–19 Local Government Grants and Subsidies program.

In **Western Australia** the Regional Services Reform Unit worked to address the significant and historic gap between the life outcomes of Aboriginal and non-Aboriginal West Australians in regional and remote areas, with a particular focus on the Kimberley and Pilbara. The Unit secured \$250 million of State Government funding for programs to strengthen Aboriginal families, improve living conditions, increase job prospects and accelerate student progress at school.

In March 2019, the Minister for Aboriginal Affairs released a discussion paper and additional materials setting out proposals for a new Aboriginal heritage system and consultation with local governments was undertaken between March and May 2019.

Key stakeholder consultation on the draft WA Cultural Infrastructure Strategy took place from June 2018 to March 2019. The Strategy will celebrate WA's rich traditional and contemporary Aboriginal culture and promote the State as a destination of choice.

In **South Australia** during 2018–19, the Local Government Association of South Australia (LGASA) worked with Reconciliation SA and the Electoral Commission of South Australia to share information about, and promote participation in, the 2018 council elections to remote communities. In April 2015, the State Government secured \$15 million from the Commonwealth to provide municipal services to Aboriginal communities outside of the Anangu Pitjantjatjara Yankunytjatjara (APY) lands.

Over 2017–18, \$2.9 million (ex GST) was provided to deliver municipal services including waste management, dog control and environmental health, road maintenance and water provision.

Of the 17 service providers funded, four are local councils or a similar body, including:

- Berri Barmera Council for services to the Gerard Aboriginal community
- District Council of Yorke Peninsula for services to the Point Pearce Aboriginal community
- District Council of Coober Pedy for services to Umoona Aboriginal community
- The Outback Communities Authority for services to the Dunjiba Aboriginal community.

This funding continued to be provided to communities over 2018–19 to support these vital services.

In **Tasmania** during 2018–19, councils undertook a range of activities to support local Aboriginal communities. These activities included the following initiatives:

- Hobart City Council commencing the development of its Aboriginal Commitment and Action Plan
- Circular Head, Central Coast and Huon Valley Councils commencing the development of Reconciliation Action Plans
- support for cultural events such as the Furneaux Island Festival and various NAIDOC events.

Tasmanian councils also support Aboriginal communities through reduced rents on the use of premises.

The **Local Government Association of Tasmania** advised that in 2021 several councils are developing reconciliation action plans in collaboration with Reconciliation Tasmania, including Circular Head Council, Huon Valley Council, and Central Coast Council. Relevant to the 2018–19 year, the City of Hobart began their process for updating their Aboriginal Strategy 2002, which led to the creation of their Aboriginal Commitment and Action Plan January 2020 – January 2022<sup>4</sup>.

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<sup>4</sup> See: <https://www.hobartcity.com.au/Community/Events-and-activities/Upcoming-events/Launch-of-the-City-of-Hobart-Aboriginal-Commitment-and-Action-Plan>

In 2018–19, in the **Northern Territory**,

- the Minister for Housing and Community Development approved the establishment of a new local authority at Urapunga
- grant funding of \$5.5 million was allocated across the nine regional councils to assist with funding priority projects as identified by their respective local authorities
- grant funding totalling \$7.9 million under the Indigenous Jobs Development Fund was allocated to nine regional councils and one shire council to assist with subsidising 50 per cent of the cost of employing Aboriginal staff within their respective council
- the Department drafted a Community Development policy to reinforce the Northern Territory Government's Local Decision Making Framework Policy (LDM). LDM provides a pathway so that communities can have more control over their own affairs, including service delivery based on a community's needs, to develop policies and practices for service delivery, including local government.

Regional Councils (RCs) provide a range of additional community services and programs to remote and Indigenous communities. These RCs have contracts with NT and Commonwealth agencies to provide key services, which are also important sources of local Aboriginal employment.

In 2019 the **Australian Capital Territory** Government reaffirmed their commitment to self-determination and delivering equitable outcomes. The new Aboriginal and Torres Strait Islander Agreement 2019–2028 sets the long term (10 year) direction in Aboriginal and Torres Strait Islander Affairs in the ACT and obligates the signatories to work together to enable equitable outcomes for the Aboriginal and Torres Strait Islander Community. The Agreement provides a framework for ACT Government agencies and their partners to deliver actions that reflect the commitments under the Agreement's focus areas.

The overarching theme of the Agreement 2019–2028 is Strong Families. Since the official signing and community launch of the new Agreement in 2019, the ACT Government has been progressing priority actions in each of the core and significant focus areas of the Agreement.

The ACT Aboriginal and Torres Strait Islander *Business Development and Entrepreneurship Program* was aligned with the *Significant Focus Area: Economic Participation from the ACT Aboriginal and Torres Strait Islander Agreement 2019–2028*, specifically against the target to increase the number of Aboriginal and Torres Strait Islander businesses, social enterprises and entrepreneurs supported.

The Quality Life Outcomes in the Agreement will be measured as the ACT Government progresses the Agreement's ten action plans, which were developed in partnership with the ACT Aboriginal and Torres Strait Islander Elected Body.

In 2018–19, \$4.5 million was committed to deliver up to 10 more dwellings for older Aboriginal and Torres Strait Islanders.

Over the past decade, the **Australian Local Government Association's** (ALGA's) engagement on Indigenous issues was primarily focused on the Council of Australian Government (COAG) and relevant Ministerial Councils.

A National Partnership Agreement with the NT Government committed \$110 million/year for four years from 2018–19. ALGA has called for this partnership agreement to be renewed to provide long-term certainty.



# Appendix A

## National Principles

Under section 3 of the Act, the Australian Government provides financial assistance for local government purposes by means of grants to the states and self-governing territories for the purpose of improving:

- the financial capacity of local governing bodies
- the capacity of local governing bodies to provide their residents with an equitable level of services
- the certainty of funding for local governing bodies
- the efficiency and effectiveness of local governing bodies
- the provision, by local governing bodies, of services to Aboriginal and Torres Strait Islander communities.

In determining allocations, local government grant commissions are required to make their recommendations in line with the National Principles. The National Principles are set out in Figures 5 and 6. Figure 7 describes the horizontal equalisation National Principle in detail.

The main objective of having National Principles is to establish a nationally-consistent basis for distributing financial assistance to local government under the Act. The Act includes a requirement (in section 6(1)) for the Australian Government Minister responsible for local government to formulate National Principles after consulting with jurisdictions and local government.

The formulated National Principles are a disallowable instrument under the Act. As such, any amendments, including establishment of new principles, must be tabled in both Houses of the Australian Parliament before they can come into effect. Members and senators then have 15 sitting days in which to lodge a disallowance motion. If such a motion is lodged, the respective House has 15 sitting days in which to put and defeat the disallowance motion. If the disallowance motion is defeated, the amendment stands. If the disallowance motion is passed, the amendment will be deemed to be disallowed.

**Figure 5** National Principles governing allocation by states and the Northern Territory among local governing bodies—general purpose

### **A. General purpose**

The National Principles relating to allocations of the general purpose grant payable under section 9 of the *Local Government (Financial Assistance) Act 1995 (Cth)* (the Act) among local governing bodies are as follows:

#### **1. Horizontal equalisation**

The general purpose component will be allocated to local governing bodies, as far as practicable, on a full horizontal equalisation basis as defined by the Act. This is a basis that ensures each local governing body in the state or 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 or territory. 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.

#### **2. Effort neutrality**

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

#### **3. Minimum grant**

The minimum general purpose allocation for a local governing body in a year will be not less than the amount to which the local governing body would be entitled if 30 per cent of the total amount of the general purpose grant to which the state or territory is entitled under section 9 of the Act in respect of the year, were allocated among local governing bodies in the state or territory on a per capita basis.

#### **4. 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.

#### **5. Aboriginal and Torres Strait Islander peoples**

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

#### **6. 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.

## Figure 6 National Principles governing allocation by states and the Northern Territory among local governing bodies—identified local road

### A. Identified local road

The National Principle relating to allocation of the amounts payable under section 12 of the Act (the identified road component of the financial assistance grant program) among local governing bodies is as follows:

#### 1. Identified road component

The identified road component of the financial assistance grant 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 road needs, relevant considerations include length, type and use of roads in each local governing area.

## Figure 7 What is horizontal equalisation?

Horizontal equalisation would be achieved if every council in a state or territory, by means of reasonable revenue-raising effort, were able to afford to provide a similar range and quality of services. The Australian Government pursues a policy of horizontal equalisation when it distributes goods and services tax revenue to state and territory governments.

The *Local Government (Financial Assistance) Act 1995 (Cth)* (the Act) requires the Minister, in formulating the National Principles, to have regard to the need to ensure the funds are allocated, as far as is practicable, on a full horizontal equalisation basis. Section 6(3) of the Act defines horizontal equalisation as being an allocation of funds that:

- ensures each local governing body in a state is able to function, by reasonable effort, at a standard not lower than the average standard of other local governing bodies in the state
- takes account of differences in the expenditure required to be incurred by local governing bodies in the performance of their functions and in their capacity to raise revenue.

Distribution on the basis of horizontal equalisation is determined by estimating the costs each council would incur in providing a normal range and standard of services and by estimating the revenue each council could obtain through the normal range and standard of rates and charges. The allocation is then altered to compensate for variations in expenditure and revenue to bring all councils up to the same level of financial capacity.

This means councils that would incur higher relative costs in providing normal services—for example in remote areas (where transport costs are higher) or areas with a higher proportion of elderly or pre-school aged people (where there will be more demand for specific services)—will receive relatively more grant money. Similarly, councils with a strong rate base (highly valued residential properties, high proportion of industrial and/or commercial property) will tend to receive relatively less grant money.







# Appendix B

## Jurisdictional submissions

This appendix contains the submissions from state and territory governments and local government associations. Headings have been standardised and minor edits made to achieve consistency in the report.

The Act requires that the relevant state and territory minister and bodies representative of local government be consulted when preparing this report.

All state and territory governments and local government associations were invited to make submissions. Individual submissions were received from all states and territories and some local government associations. Submissions are provided below.

### Report from the New South Wales Government

#### New South Wales methodology for distributing the Financial Assistance Grant for 2018–19

The New South Wales Local Government Grants Commission's (the Commission) distribution methodology of the financial assistance grant (FA Grant) has been under review since 2013. As a result, in 2018–19 the Commission has commenced transitioning to a revised version of the existing model of the expenditure allowance in the General Purpose Component. All other elements of the methodology are being retained. The two components of the grants are distributed on the basis of principles developed in consultation with local government and are consistent with the National Principles of the Act.

##### *General purpose component*

The general purpose component of the grant attempts to equalise the financial capacity of councils. The Commission uses the direct assessment method. This approach considers cost disabilities in the provision of services on the one hand (expenditure allowances) and makes an assessment, of councils' relative capacity to raise revenue on the other (revenue allowances). The relative need is determined by comparing each council's individual measure against the state average measure.

##### **Cost disabilities in the provision of services (expenditure allowances)**

Expenditure allowances are calculated for each council for a selected range of council services. The allowances attempt to compensate councils for expected above average costs resulting from issues that are beyond councils' control. To be consistent with the Effort Neutral Principle, council policy decisions concerning the level of service provided, or if there is a service provided at all, are not considered.

This year, while the revised model has been adopted, a transition period has been entered into to smooth the impact of changing grant outcomes. The current transition approach is to apply a five per cent upper limit on increases and a zero per cent lower limit on a council's previous general purpose component. No council is receiving a decrease during the transition. Expenditure allowances were calculated based on five council services. These services are: 'recreation and cultural', 'administration and governance', 'community and amenity', 'community services and education', 'roads bridges and footpaths', and 'public order, safety health, and other'.

An additional allowance is calculated for councils outside the Sydney statistical division that recognises the additional cost of isolation and the formula uses population, a council's distance from Sydney, distance from the nearest regional centre and a five year rolling averaged additional expenditure.

The general formula for calculating the expenditure allowances is:

$$\text{Number of units} \times \text{standard cost} \times \text{disability factor}$$

where:

- the number of units is the measure of use for the service for the council; the number of units is the population
- the standard cost represents the state average cost per unit for each of the five selected services. The calculation is based on a state-wide average of councils' gross costs, using selected items from the Net Cost of Services data reported by councils, averaged over five years
- the disability factor is the measure of relative disadvantage for the council.

A disability factor is the Commission's estimate of the additional cost, expressed as a percentage, of providing a standard service due to inherent characteristics that are beyond a council's control. For example, if it estimated that it would cost a council twenty per cent more than the standard to provide recreational services, the disability factor would be twenty per cent. Consistent with the Effort Neutral Principle, the Commission does not compensate councils for cost differences that arise due to policy decisions of the council, management performance or accounting differences.

For each service, using materiality testing, the Commission has identified a variable or a number of variables that are considered to be the most significant in influencing a council's expenditure on that particular service. A key disadvantage is a smaller population. These variables are termed 'disabilities'. A council may have a disability due to inherent factors such as smaller 'populations', higher 'Aboriginal and Torres Strait Islander populations', amount of 'environmental land', 'rainfall, topography and drainage' index score, and 'local road' length. In addition to disabilities identified by the Commission, 'other' disabilities relating to individual councils may be determined. These may arise where circumstances have been identified as a result of holding public hearings with councils or special submissions. Following the review, there are no individual cases of discretionary disabilities except for councils eligible for the relative disability allowance.

The general approach to calculating a disability factor is to take each disability relating to a service and to apply the following formula:

$$\text{Disability Factor} = \left( \frac{\text{Council Measure}}{\text{Standard Measure}} \right)^{\text{Weighting}} - 1$$

where:

- the council measure is the individual council's measure for the disability being assessed against the state average measure
- the standard measure is the state average measure for the disability being assessed
- the weighting is calculated to reflect the significance of the measure in terms of the expected additional cost to that function.

Negative scores are not generally calculated. That is, if the council score is less than the standard, a factor of zero is substituted. The factors calculated for each disability are then added together to give a total disability factor for the service.

The Commission also calculates an allowance for additional costs associated with isolation. The isolation allowance is calculated using a regression analysis model based on the additional costs of isolation and distances from Sydney and major regional centres. Only councils outside the greater Sydney statistical area are included. Details of the formula are shown later in this section. An additional component of the isolation allowance is included which specifically recognises the additional industrial relations obligations of councils in western New South Wales.

A pensioner rebate allowance is calculated which recognises that a council's share of pensioner rebates is a compulsory additional cost. Councils with high proportions of ratepayers that qualify for eligible pensioner rebates are considered to be more disadvantaged than those with a lower proportion.

### **Relative capacity to raise revenue (revenue allowances)**

Revenue allowances attempt to compensate councils for their relative lack of revenue-raising capacity. Property values are the basis for assessing revenue-raising capacity because rates, which are based on property values, are the principal source of councils' income. Importantly, property values are also considered to be a useful indicator of the relative economic strength of local areas.

The Commission's methodology compares land values per property for the council to a state standard value and multiplies the result by a state standard rate-in-the-dollar. For comparative purposes, the Commission purchases valuation data that has been calculated to a common base date for all councils by the NSW Valuer-General. To reduce seasonal and market fluctuations in the property market, the valuations are averaged over three years. In the revenue allowance calculation, councils with low values per property are assessed as being disadvantaged and are brought up to the average (positive allowances), while councils with high values per property are assessed as being advantaged and are brought down to the average (negative allowances). That is, the theoretical revenue-raising capacity of each council is equalised against the state standard. The Commission's approach excludes the rating policies of individual councils (Effort Neutral Principle).

Separate calculations are made for urban and non-urban properties. Non-rateable properties are excluded from the Commission's calculations because the calculations deal with relativities between councils, based on the theoretical revenue-raising capacity of each rateable property.

In developing the methodology, the Commission was concerned that use of natural weighting would exaggerate the redistributive effect of the average revenue standards. That is, the revenue allowances are substantially more significant than the expenditure allowances. This issue was discussed with the Australian Government and the agreed

principles provide that ‘revenue allowances may be discounted to achieve equilibrium with the expenditure allowances’ (see ‘Principle’ below). As a result, both allowances are given equal weight.

The discounting helps reduce the distortion caused to the revenue calculations as a result of the property values in the Sydney metropolitan area.

The objective approach to discounting revenue allowances reduces the extreme positives and negatives calculated, yet maintains the relativities between councils established in the initial calculation.

The Commission does not specifically consider rate pegging, which applies in New South Wales. The property based calculations are essentially dealing with relativities between councils, and rate pegging affects all councils.

Movements in the grants are generally caused by annual variations in property valuations, standard costs, road and bridge length, disability measures and population.

### **Factors excluded from the general purpose component calculations**

The Commission does not consider the requirements of councils for capital expenditure because of the practical and theoretical problems involved. In order to assess capital expenditure requirements, the Commission would have to undertake a survey of each council’s infrastructure needs and then assess the individual projects for which capital assistance is sought. This would undermine council autonomy, because the Commission, rather than the council, would be determining which projects were worthwhile. Further, councils that had failed to adequately maintain their assets could be rewarded at the expense of those who undertook maintenance.

The issue of funding for local water and sewerage undertakings was examined during the process of consultation between the Commission, the then Local Government and Shires Associations (the Associations), and local government generally.

The Associations and local government recommended to the Commission that water and sewerage services should not be included in the financial assistance grants distribution principles because:

- not all general purpose councils in New South Wales perform such services
- the level of funds available for other council services would be significantly diminished if such services were considered
- inclusion would result in a reduced and distorted distribution of funds to general purpose councils
- the state government makes other sources of funds and subsidies available to councils for such services.

The Commission agreed and accordingly, water and sewerage services are excluded from the distribution formula.

The Commission views income from council business activities as a policy decision and, therefore, does not consider it in the grant calculations (Effort Neutral Principle). Similarly, losses are not considered either.

Debt servicing is related to council policy and is therefore excluded from the Commission’s calculations. In the same way, the consequences of poor council decisions of the past are not considered.

The levels of a council's individual expenditure on a particular service do not affect a council's grants. Use of a council's expenditure is generally limited to determining a state standard cost for each selected service. The standard costs for these services are then applied to all councils in calculating their grants. What an individual council may actually spend on a service has very little bearing on the standard cost or its grant.

Efficient councils are rewarded by the effort neutrality approach to the calculations. To illustrate this, two councils with similar populations, road networks, property values, and disability measures would receive similar grants. The efficient council can use its grant funds to provide better facilities for its ratepayers. The inefficient council cannot provide additional services to its ratepayers. Therefore, the efficient council will benefit from its efficiency.

Council categories have no bearing on the grants. Categories simply provide a convenient method of grouping councils for analysis purposes.

Effective from 1 July 2006, the National Principles embodied an Amalgamation Principle that states:

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.

On 12 May 2016, the then NSW Premier Mike Baird MP and the then Minister for Local Government Paul Toole MP announced the creation of 19 new councils in NSW. The number of councils reduced from 152 to 129 due to the mergers. A further amalgamation was announced on 9 September 2016, making a total of 128 local government areas. It is anticipated that, while the data exists, the amalgamation principle will continue to apply.

### Local road component

The method of allocating the local road component is based on a simple formula developed by the New South Wales roads authority. The formula uses councils' proportion of the state's population, local road length and bridge length. Details of the formula are discussed below under 'Principles'.

### Formulae

The formulae used to calculate expenditure and revenue allowances of the general purpose component are as follows.

#### Expenditure allowances

Allowances for most services are calculated on the following general formula:

$$Ac = Nc \times Es \times Dc$$

where:  $Ac$  = allowance for the council for the expenditure service

$Nc$  = number of units to be serviced by council

$Es$  = standard expenditure per unit for the service

$Dc$  = disability for the council for service in percentage terms

**Isolation allowances**

Isolation allowances are calculated for all non-metropolitan councils based on the formula:

$$Ac = Pc \times ([Dsc \times K1] + [Dnc \times K2] + Ic)$$

- where: Ac = the isolation allowance for each council
- Pc = the adjusted population for each council
- Dsc = the distance from each council's administrative centre to Sydney
- Dnc = the distance from each council's administrative centre to the nearest major regional centre  
(a population centre of more than 20,000)
- Ic = the additional per capita allowance due to industrial award obligations (if applicable)
- K1 and K2 are constants derived from regression analysis.

**Specific purpose payments**

Allowances for services are discounted, where appropriate, to recognise the contribution of specific purpose grants. The discount factor that generally applies is:

$$1 - \frac{Gc}{(Nc \times Es) + Ac}$$

- where: Gc = the specific purpose grant received by the council for the expenditure service
- Nc = number of units to be serviced by council
- Es = standard expenditure per unit for the service
- Ac = allowance for the council for the expenditure service

**Revenue allowances—general**

The general formula for calculating revenue allowances is:

$$Ac = Nc \times ts \times (Ts - Tc)$$

- where: Ac = revenue allowance for the council
- Nc = number of properties (assessments)
- ts = standard tax rate (rate-in-the dollar)
- Ts = standard value per property
- Tc = council's value per property

The standard value per property (Ts) is calculated as follows:

$$Ts = \frac{\text{sum of rateable values for all councils}}{\text{sum of number of properties for all councils}}$$

The standard tax rate (ts) is calculated as follows:

$$ts = \frac{\text{sum of net rates levied for all councils}}{\text{sum of rateable values for all councils}}$$

### Pensioner rebates allowances

The general formula for the allowance to recognise the differential impact of compulsory pensioner rates rebates is:

$$Ac = Rc \times Nc \times (Pc - Ps)$$

where:  $Ac$  = the allowance for the council

$Rc$  = the standardised rebate per property for the council

$Nc$  = the number of residential properties

$Pc$  = the proportion of eligible pensioner assessments for the council

$Ps$  = the proportion of eligible pensioner assessments for all councils

The standardised rebate for the council ( $Rc$ ) is:

$$Rc = 0.25 \times Tc \times ts$$

where:  $Tc$  = the average value per residential property in the council

$ts$  = the standard tax rate (rate-in-the dollar) for residential properties

The maximum value for  $Rc$  is set at \$125.  $Tc$  and  $ts$  are calculated as for the revenue allowances except only residential properties are used.

## Principles

### General purpose (equalisation) component

These principles, consistent with the National Principles of the *Local Government (Financial Assistance) Act 1995 (Cth)* are (the Act) based on an extensive program of consultation with local government.

The agreed principles are:

1. General purpose grants to local governing bodies will be allocated as far as practicable on a full equalisation basis as defined in the Commonwealth Act. That is a basis which attempts to compensate local governing bodies for differences in expenditure required in the performance of their functions and in their capacity to raise revenue.
2. The assessment of revenue and expenditure allowances of local governing bodies will, as far as is practicable, be independent of the policy or practices of those bodies in raising revenue and the provision of services.
3. Revenue-raising capacity will primarily be determined on the basis of property values. Positive and negative allowances relative to average standards may be calculated.
4. Revenue allowances may be discounted to achieve equilibrium with expenditure allowances.

5. Generally for each expenditure function an allowance will be determined using recurrent cost. Both positive and negative allowances relative to average standards may be calculated.
6. Expenditure allowances will be discounted to take account of specific purpose grants.
7. Additional costs associated with non-resident use of services and facilities will be recognised in determining expenditure allowances.

### **Local road component**

Financial assistance, which is made available as an identified local road component of local government financial assistance, shall be allocated so as to provide Aboriginal communities equitable treatment in regard to their access and internal local road needs.

#### **1. Urban [metropolitan] area**

‘Urban area’ means an area designated as an ‘urban area’

- a. the Sydney Statistical Division
- b. the Newcastle Statistical District
- c. the Wollongong Statistical District

#### **2. Rural [non-metropolitan] area**

‘Rural area’ means an area not designated as an ‘urban area’

#### **3. Initial distribution**

27.54 per cent to local roads in urban areas

72.46 per cent to local roads in rural areas

#### **4. Local road grant in urban areas**

Funds will be allocated:

- a. five per cent distributed to individual councils on the basis of bridge length
- b. 95 per cent distributed to councils on the basis of
  - i. 60 per cent distributed on length of roads
  - ii. 40 per cent distributed on population

#### **5. Local road grant in rural areas**

Funds will be allocated

- a. seven per cent distributed to individual councils on the basis of bridge length
- b. 93 per cent distributed to councils on the basis of
  - i. 80 per cent distributed on length of roads
  - ii. 20 per cent distributed on population



## 6. Data

- a. Population is based on the most up-to-date Estimated Resident Population figures available from the Australian Bureau of Statistics (ABS).
- b. Road length is based on the most up-to-date data available to the Commission for formed roads, which are councils' financial responsibility.
- c. Bridge length is based on the most up-to-date data available to the Commission for major bridges and culverts six metres and over in length, measured along the centre line of the carriageway, which are councils' financial responsibility.
- d. The method of application of the statistics shall be agreed to between representatives of the Local Government Grants Commission of New South Wales and the Local Government Association of New South Wales (LGNSW).

## Changes to the methodology for distributing funding for 2018–19 from that used in 2017–18

Since 2013–14, the New South Wales Local Government Grants Commission (the Commission) has been putting strategies in place to deliver improved outcomes to more relatively disadvantaged, smaller rural communities. Such communities were generally experiencing declining populations and diminishing rate bases, while retaining responsibility for local assets, often including large road networks. The Commission adopted this approach following its observations during their rounds of public hearings with councils. In addition, the Commission has remained concerned about the ongoing impact of the National Principle providing for a 30 per cent per capita minimum grant. Councils with greater relative need are forgoing funds (that are otherwise allocated to them on a horizontal fiscal equalisation [HFE] basis) in order to raise the level of grants for wealthier metropolitan councils up to the per capita minimum grant.

In 2013, the NSW Independent Local Government Review Panel (Panel) recommended targeting the grants to communities with relative disadvantage, within the constraints imposed by the national funding principles, adding that a transitional period should apply to minimise the impact of any redistribution. The NSW Government supported this recommendation and a major independent review process of the financial assistance grant methodology followed. Also, a period of consultation with councils about the review and recommendations began which is an ongoing process.

In January 2016, the Office of Local Government (OLG) engaged an independent consultant (Consultant) to further review the existing funding model, in order to allocate a higher proportion of the grants to councils that have the greatest relative need and to simplify and streamline the model. Essentially, the review found that the basic methodology did not need to change. It was recommended that the Direct Assessment approach of the existing model, the local roads component model and also most of the general purpose component all be retained.

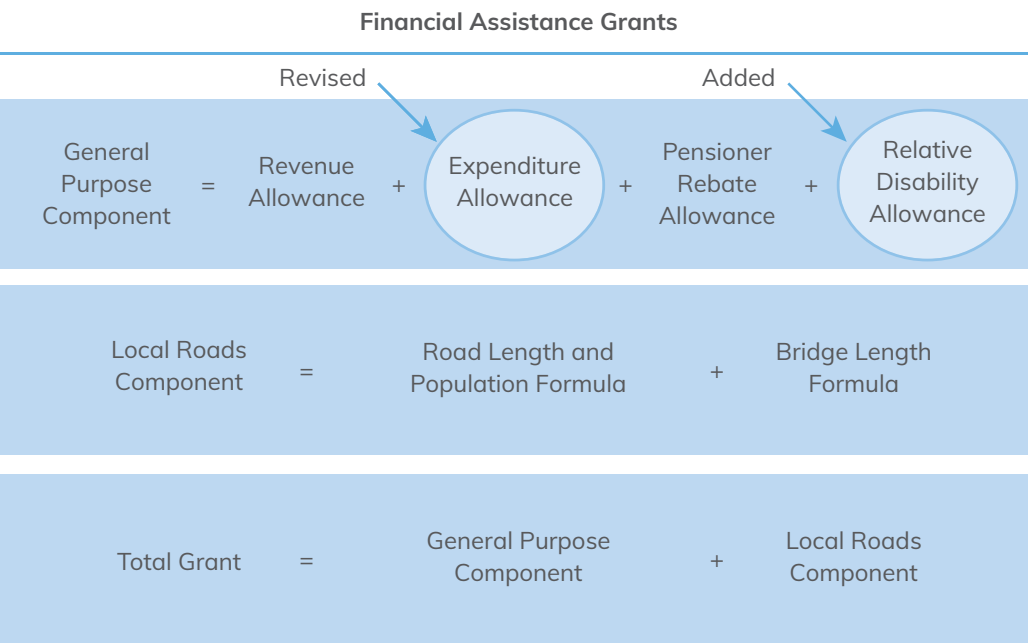
However, as the model had become so granular the Consultant did recommend that the Commission adopt the materiality approach, using regression analysis, to filter out variables included that were not true cost drivers and to estimate the appropriate weighting to apply to the factors that identified as statistically significant. They revised the model to enable it to deliver on the prerequisites that it:

- is based on genuine cost drivers
- allocates a higher proportion of grant funding to councils with the greatest relative need
- is consistent with the National Principles

- is consistent with NSW Government Financial Assistant Grants allocation policy
- is robust, statistically verifiable and auditable
- uses best practice financial modelling principles
- is transparent and publishable.

The model was improved by streamlining and simplifying the expenditure allowance of the general purpose component allocation by consolidating the expenditure functions and disability factors using materiality testing. A \$5 million relative disability allowance was added for councils with the greatest relative disadvantage.

Figure 8 Overview of New South Wales Funding Allocation Model



Until now, the Commission had been working with a general purpose component with an expenditure allowance comprising 20 functions and 47 disability factors applied to 128 councils. By 2014–15, there were also 234 occurrences of councils receiving additional discretionary disability factor. While those additional discretionary allowances were reduced to 98 by 2017–18, the effect of increasing the functions and disability factors over time had reduced the significance of each factor, resulting in an over-complex and granular model.



The following allowances in the general purpose component were retained:

- the revenue allowance, based on rateable value across two land use categories (urban and non-urban)
- the isolation allowance
- the pensioner rebate allowance
- the stormwater drainage allowance
- the local road maintenance allowance.

All the cost items previously reported by councils are still included and make up the state standards. It was recommended to use gross operational costs instead of net operational costs to further ensure the true costs to councils were recognised (revenue raising capacity is recognised through the revenue allowance). All functions and disability factors were considered and after being statistically verified through materiality testing, the revised consolidated sections of the model are as follows:

Table 17 NSW expenditure functions, cost adjustors and weightings

Cost adjustors	Functions					
	Recreation and cultural	Admin and governance	Education and community	Roads, bridges, footpaths and aerodromes	Public order, safety, health and other	Housing amenity
Population	-0.1213	-0.3111	-0.2988	-0.4765	-0.2382	-0.0717
Road length (km)				0.4098		
Rainfall, topography and drainage index					0.5991	
Aboriginal and Torres Strait Islander	0.1201					
Environment (ha)					0.0370	

Note: Population as a cost driver is negative as it is the only driver that measures lower than average score.

The relative disability allowance is a new allowance added by the Commission to assist in better achieving HFE. After determining the per capita minimum amount, \$5 million (0.9 per cent of the total pool) has been quarantined from the CPI increase. This is allocated to councils eligible for the isolation allowance, councils with population decline and councils with unsealed local roads. \$1.5 million is applied using the isolation allowance formula, and the remaining \$3.5 million is divided (based on the number of eligible councils) into \$2.541 million for unsealed local roads and \$959,000 for population decline.

By quarantining the relative disability allowance, unlike the rest of the general purpose component, it is able to be applied in its pure value. The other elements of the general purpose component are aggregated, scaled to the available funds, adjusted for the per capita minimum and adjusted for the upper and lower limits. The relative disability allowance is added to the grant after all the adjustments are made. This ensures the allowance is not lost in the scaling and adjusting processes.

Finally, the capping on upper and lower limits have been adjusted for the transition to the revised model to help smooth changes to grant outcomes. This is also in accordance with the Panel's recommendations. In recent years the limits have generally been set at between -5.0 per cent and +5.0-7.5 per cent. The Commission determined an adjustment to a lower cap of a zero per cent floor, so no council would receive a lower general purpose component, and an upper cap of five per cent. As the relative disability allowance is applied after scaling and adjustments, some councils eligible for the allowance received higher than the five per cent increase limit. The only other councils receiving more than five per cent were minimum grant councils with high population increases including The Council of the City of Sydney, with the highest percentage increase in the state of 12.5 per cent.

## Developments in relation to the use of long term financial and asset management plans for 2018–19

Local councils in NSW report under an integrated planning and reporting (IP&R) framework to improve strategic planning, including long-term financial and asset management planning.

The IP&R framework requires councils to prepare a suite of plans including a Long-Term Financial Plan (10 years+) and an Asset Management Policy, Strategy and Plans (10 years+).

The NSW Auditor-General oversees the auditing of councils' annual financial statements to improve the consistency, reliability and quality of financial reporting and public accountability in the local government sector.

In 2017–18, the Government continued to provide oversight and support for councils developing and implementing Long-Term Financial and Asset Management Plans to improve their financial sustainability.

The Auditor-General's Report on Local Government 2018–19 report noted the overall timeliness of financial reporting has improved on the previous period and an improvement in the overall quality of financial statements.

The Office of Local Government is continuing to continue to work with the Auditor-General to support councils to improve their financial performance, reporting and systems to ensure they are best placed to ability to provide key services and infrastructure to the local community.

The local government sector in NSW now has a solid basis to continually review and improve long term financial and asset management planning to ensure these plans are effectively implemented as an integrated part of council's operations.

## Actions to develop and implement comparative performance measures for 2018–19

The publication of freely available time series data by the NSW Government on NSW local councils has now been available for over thirty years. This enables comparisons against a range of performance indicators between councils and over time.

In 2016–17 the Office of Local Government (OLG) produced an interactive website which displays key information about local governments across the State. This tool enables residents and ratepayers to better understand their council and to compare key performance and other metrics for their council to those of other councils.

Data sources include council financial reports, rating records and Australian Bureau of Statistics' population data. The information collected has also been used to calculate financial assistance grants, analyse councils' financial health and check compliance of rates collected.

In 2018–19, the NSW Government engaged in constructive discussions both across NSW State agencies and with the local government sector about how best to measure and report on council performance. As part of this work, OLG provided input to sector-led work to deliver best practice performance and reporting frameworks.

Throughout 2018–19, OLG continued to work closely with the NSW Audit Office, which plays a key role in conducting financial and performance audits under the *Local Government Act 1993*. This engagement has contributed to improvements in sector financial reporting, including through the Local Government Code of Accounting Practice and Financial Reporting and other guidance, training and support to councils in NSW. Insights from these audits also continue to provide valuable input to ongoing work to develop improved comparative performance measures at a State level over time.

Moving forward, the Government is continuing work with the local government sector to build a new and robust local government performance measurement framework. The NSW Government is also exploring alternative of ways to improve the accessibility of usefulness of this information.

## Reforms undertaken during 2018–19

In this reporting period, the NSW Government has focused on consolidating key reform priorities to improve council performance, integrity, transparency and accountability, to streamline regulation and to build the strategic capacity of local councils so they are better placed to serve their local communities.

Through the *Local Government Amendment Act 2019*, the NSW Government extended time for councils formed by merger in 2016 to move to a single rating structure for the new local government area.

This legislation also made improvements to arrangements for the administration of local government elections, increased the threshold for competitive tendering requirements, improved flexibility around procurement. It also provided for future regulations to be made enabling a mutual recognition scheme for certain regulatory activities, removing red tape from fee setting and facilitating delegation of regulatory functions within the local government sector.

Through the Office of Local Government (OLG), the NSW Government also prescribed a new *Model Code of Conduct for Local Councils in NSW* and a new *Model Code of Meeting Practice for Local Councils in NSW*. It also introduced a requirement for councils to provide induction training to councillors in the first six months of each council term and ongoing professional development over the balance of the term.

## Initiatives undertaken and services provided by local government to Aboriginal and Torres Strait Islander communities for 2018–19

NSW councils are required to prepare Integrated Planning and Reporting (IP&R) plans to facilitate strategic planning and delivery of council services to best meet community needs.

The IP&R framework allows councils and communities to respond flexibly to local need and includes a requirement for a community strategic plan to be developed in consultation with groups in the local community and based on principles of social justice.

As part of this process, councils must develop a Community Engagement Strategy which includes how they will engage with hard-to-reach groups. The strategy should ensure that all groups, including Aboriginal and Torres Strait Islander people, have an opportunity to be heard. In this way IP&R helps councils to work in partnership with the NSW Government and others to improve outcomes for Aboriginal and Torres Strait Islander people in NSW.

To support inclusion of Aboriginal communities in council decision-making, service development and delivery, a Collaborate NSW website and resource kit has been developed and launched. This is a joint initiative of the Office of Local Government, NSW Aboriginal Land Council, Aboriginal Affairs NSW and NSW Department of Planning, Industry and Environment and Local Government NSW, a peak local government sector representative organisation.

The Collaborate NSW website provides information and advice to build council understanding of local Aboriginal culture and ways of doing business and to provide advice to Aboriginal and Torres Strait Islander people about how to become more involved in their council, including by nominating to be elected as a councillor.

# Report from the Victorian Government

## Victoria Grants Commission methodology: 2018–19 grant allocation

The Victoria Grants Commission determines the allocation of financial assistance grants (general purpose and local roads grants) in accordance with the National Principles formulated under the *Commonwealth Local Government (Financial Assistance) Act 1995* (the Act).

### Methodology for general purpose grants

The Victoria Grants Commission's methodology for allocating general purpose grants takes into account each council's assessed relative expenditure needs and relative capacity to raise revenue.

For each council, a raw grant is obtained which is calculated by subtracting the council's standardised revenue from its standardised expenditure.

The available general purpose grants pool is then allocated in proportion to each council's raw grant, taking into account the requirement in the Commonwealth legislation and associated national distribution principles to provide a minimum grant to each council. Increases and decreases in general purpose grant outcomes may be limited in movement which, in turn, affects the relationship between raw grants and actual grants.

Specific grants are allocated to a small number of councils each year in the form of natural disaster assistance. These grants are funded from the general purpose grants pool and so reduce the amount allocated on a formula basis.

### Standardised expenditure

Under the Commission's general purpose grants methodology, *standardised expenditure* is calculated for each council on the basis of nine expenditure functions. Between them, these expenditure functions include all council recurrent expenditure.

The structure of the model ensures that the gross standardised expenditure for each function equals aggregate actual expenditure by councils, thus ensuring that the relative importance of each of the nine expenditure functions in the Commission's model matches the pattern of actual council expenditure.

The total recurrent expenditure across all Victorian councils in 2017–18 was \$8.135 billion. Under the Commission's methodology, the gross standardised expenditure in the allocation model for 2018–19 therefore also equals \$8.135 billion, with each of the nine expenditure functions assuming the same share of both actual expenditure and standardised expenditure.

For each function, with the exception of Local Roads and Bridges, *gross standardised expenditure* is obtained by multiplying the relevant major cost driver by:

- the average Victorian council expenditure on that function, per unit of need
- a composite cost adjustor which takes account of factors that make service provision cost more or less for individual councils than the State average.

### Major cost drivers ('units of need')

The major cost drivers and average expenditures per unit for each expenditure function, with the exception of Local Roads and Bridges, are shown in the following table:



Table 18 Victoria's major cost drivers and average expenditures

Expenditure function	Major cost driver	Average expenditure per unit (\$)
Governance	Population (adjusted)	63.93
Family and community services	Population	136.73
Aged and disabled services	Population >60 plus disability pensioners plus carer's allowance recipients	369.36
Recreation and culture	Population	295.36
Waste management	Number of dwellings	332.43
Traffic and street management	Population	117.05
Environment	Population (adjusted)	61.60
Business and economic services	Population (adjusted)	161.35

For three expenditure functions (Governance, Environment and Business and Economic Services), an adjusted population is used as the major cost driver to recognise the fixed costs associated with certain functional areas.

The major cost drivers used in assessing relative expenditure needs for these functions take account of high rates of vacant dwellings at the time the census is taken. Councils with a vacancy rate above the State average are assumed to have a population higher than the census-based estimate:

- for the Governance expenditure function, actual populations are adjusted upwards to reflect above average rates of vacancies on census night and councils with a population of less than 20,000 are deemed to have a population of 20,000.
- for the Environment and Business and Economic Services functions actual populations are adjusted upwards to reflect above average rates of vacancies on census night. Councils with a population of less than 15,000 are deemed to have a population of twice that amount, up to a maximum of 15,000.

### Cost adjustors

A number of cost adjustors are used in various combinations against each function. These allow the Commission to take account of the particular characteristics of individual councils which impact on the cost of service provision on a comparable basis. Each cost adjustor has been based around a State weighted average of 1.00 with a ratio of 1:2 between the minimum and maximum values, to ensure that the relative importance of each expenditure function in the model is maintained.

The 12 cost adjustors used in the calculation of the 2018–19 general purpose grants are aged pensioners, population growth, economies of scale, population less than six years, environmental risk, regional significance, Indigenous population, remoteness, language, socio-economic, population dispersion and tourism.

Some factors represented by cost adjustors impact more on costs than others, different weightings have been used for the cost adjustors applied to each expenditure function.

For 2018–19, the Commission decided not to make any changes to the application of cost adjusters to individual expenditure functions, or to their weightings. This decision was taken in light of significant changes to the data used in the allocation model, which are outlined later in this section.

Net standardised expenditure

Net standardised expenditure has been obtained for each function by subtracting standardised grant support (calculated on an average per unit basis) from gross standardised expenditure. This ensures that other grant support is treated on an ‘inclusion’ basis.

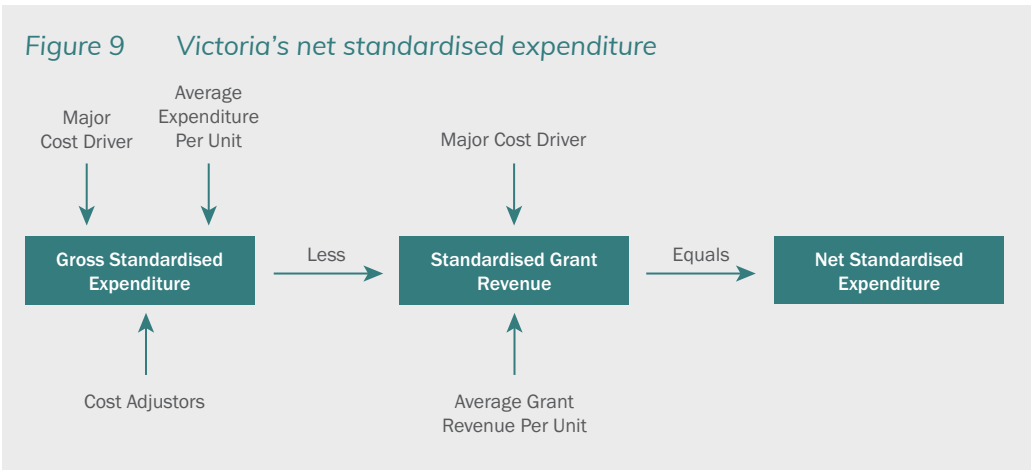
Average grant revenue on a per unit basis (based on actual grants received by local government in 2017–18) is shown in the table below:

Table 19 Victoria’s average grant revenue

Expenditure function	Major cost driver	Average grants per unit (\$)
Governance	Population (adjusted)	3.25
Family and community services	Population	37.38
Aged and disabled services	Population > 60 plus disability pensioners plus carer’s allowance recipients	182.36
Recreation and culture	Population	5.75
Waste management	Number of dwellings	0.12
Traffic and street management	Population	2.30
Environment	Population (adjusted)	1.57
Business and economic services	Population (adjusted)	0.91

Net standardised expenditure (for each function)

Diagrammatically, the calculation of net standardised expenditure for each expenditure function is as shown in the following figure:



Standardised expenditure for the Local Roads and Bridges expenditure function within the general purpose grants model is based on the grant outcomes for each council under the Commission's local roads grants model. As outlined further below, this incorporates a number of cost modifiers (similar to cost adjustors) to take account of differences between councils. Net standardised expenditure for this function for each council is calculated by subtracting other grant support (based on actual identified local roads grants and a proportion of Roads to Recovery grants) from gross standardised expenditure.

The total standardised expenditure for each council is the sum of the standardised expenditure calculated for each of the nine expenditure functions.

### Standardised revenue

A council's standardised revenue is intended to reflect its capacity to raise revenue from its community. Relative capacity to raise rate revenue, or standardised rate revenue, is calculated for each council by multiplying its valuation base (on a capital improved value basis) by the average rate across all Victorian councils over three years. The payments in lieu of rates received by some councils for major facilities such as power generating plants and airports have been added to their standardised revenue to ensure that all councils are treated on an equitable basis. Rate revenue raising capacity is calculated separately for each of the three major property classes (residential, commercial/industrial/other and farm) using a four-year average of valuation data.

The derivation of the average rates for each of the property classes is shown in the table below:

**Table 20** Victorian property classes—average rates

Category	Total average valuations (\$ billion)	Total rate revenue (\$ billion)	Average rate
Residential	1,268.985	3.867	0.00305
Commercial/industrial/other	262.003	0.889	0.00377
Farm	77.720	0.279	0.00359

The Commission constrains increases in each council's assessed revenue capacity to improve stability in grant outcomes. The constraint for each council has been set at the state-wide average increase in standardised revenue adjusted by the council's own rate of population growth to reflect growth in the property base.

A council's relative capacity to raise revenue from user fees and charges, or standardised fees and charges revenue, also forms part of the calculation of standardised revenue.

For each council, for each of the nine functional areas, the relevant driver (such as population) is multiplied by the adjusted State median revenue from user fees and charges (adjusted to remove the skewing effect of large outliers in the data). For some functions, this is then modified by a series of 'revenue adjustors' to take account of differences between municipalities in their capacity to generate fees and charges, due to their characteristics.

The standard fees and charges used for each function (based on adjusted median actual revenues generated by local government in 2016–17) are shown in the following table, along with the revenue adjustors applied.

Table 21 Victorian standard fees and charges

Expenditure function	Major driver (units)	Standard fees and charges per unit (\$)	Revenue adjustors
Governance	Population	15.66	Nil
Family and community services	Population	9.03	Socio-economic
Aged and disabled services	Population > 60 plus disability pensioners plus carer's allowance recipients	40.22	Household income
Recreation and culture	Population	22.14	Valuations (per cent commercial)
Waste management	Number of dwellings	30.74	Nil
Traffic and street management	Population	8.73	Valuations (per cent commercial)
Environment	Population	1.32	Nil
Business and economic services	Population	33.36	Tourism and value of development
Local roads and bridges	Population	2.04	Nil

The assessed capacity to generate user fees and charges for each council is added to its standardised rate revenue to produce total standardised revenue.

### Limits to grant movements

The Commission has applied the following constraints to movements in general purpose grants for 2018–19:

- no limits on increases unlimited
- decreases limited to minus/less than five per cent for non-rural councils (two councils)
- no decreases for rural councils (two councils).

### Methodology changes

The Commission continued to review and adjust its allocation methodology and made several changes to the general purpose grants methodology for the 2018–19 allocations.

As a result:

- one-off adjustments to the estimated populations for all Victorian councils as at 30 June 2016, which were made by the Australian Bureau of Statistics to reflect the outcomes of the 2016 census
- strong population growth in many municipalities during the year to 30 June 2017
- an adjustment to the calculation of relative capacity to raise rate revenue, to reflect the impact of rate capping
- the incorporation of 2016 census data into many of the cost adjustors used by the Commission, including Population Dispersion, Socio-Economic Disadvantage and Population Growth

- the incorporation of new data into the Commission's Environmental Risk (Fire and Flood) cost adjuster, to better reflect the relative risk to each council from bushfires and flood events.

### Minimum grants

The available general purpose grants pool for Victorian councils represents, on average, \$69.29 per head of population (using Australian Bureau of Statistics population estimates as at 30 June 2017). The minimum grant national distribution principle requires that no council may receive a general purpose grant that is less than 30 per cent of the per capita average (or \$20.83 for 2018–19).

Without the application of this principle, general purpose grants for 2018–19 for 15 councils—Bayside, Boroondara, Glen Eira, Hobsons Bay, Kingston, Manningham, Melbourne, Monash, Moonee Valley, Port Phillip, Stonnington, Whitehorse and Yarra, would have been below the \$20.83 per capita level. These councils will continue to receive the minimum grant in 2018–19, along with Darebin and Mornington Peninsula which have also moved to the minimum grant level for the 2018–19 allocation. The minimum grant principle has resulted in the general purpose grants to these councils being increased to that level.

### Estimated allocations 2018–19

A summary of the changes in estimated general purpose grant allocations from 2017–18 to 2018–19 is shown in the table below:

**Table 22** *Victorian changes from 2017–18 to 2018–19 for estimated general purpose*

<b>Change in general purpose grant</b>	<b>Number of councils</b>
Increases	70
No change	2
Decrease of <-5.0 per cent	5
Decrease of -5.0 per cent (lower limit)	2
<b>Total</b>	<b>79</b>

### Natural disaster assistance

The Commission provides funds from the general purpose grants pool to councils which have incurred expenditure resulting from natural disasters. Grants of up to \$35,000 per council per eligible event are provided to assist with repairs and restoration work.

There were 26 grants to 23 councils allocated in 2018–19, totaling \$787,792.

Natural disaster assistance grants provided from the 2018–19 allocation are as shown in the table below.

Table 23 Victorian natural disaster assistance grants

Natural disaster assistance for 2018-19		Amount (\$)
Alpine (S)	Floods	35,000
Benalla (RC)	Storms and Floods	35,000
Cardinia (S)	Storms and Floods	11,094
Central Goldfields (S)	Storms and Floods	35,000
Colac Otway (S)	Storms and Floods / Bushfires	70,000
East Gippsland (S)	Floods (two events)	70,000
Gannawarra (S)	Storms and Floods	35,000
Glenelg (S)	Floods	35,000
Golden Plains (S)	Storms and Floods	35,000
Hobsons Bay (C)	Storms	21,609
Horsham (RC)	Storms and Floods	35,000
Indigo (S)	Storms and Floods	35,000
Loddon (S)	Floods	35,000
Macedon Ranges (S)	Bushfires (two events)	51,557
Melton (C)	Storms and Floods	16,386
Mitchell (S)	Storms and Floods	29,365
Moira (S)	Storms	35,000
Moorabool (S)	Storms and Floods	35,000
Mornington Peninsula (S)	Storms	23,420
Mount Alexander (S)	Storms and Floods	35,000
Wangaratta (RC)	Storms and Floods	35,000
Warrnambool (C)	Floods	22,966
Yarra Ranges (S)	Storms and Floods	16,395
<b>Total</b>		<b>787,792</b>

## Methodology for local roads grants

The Commission's formula for allocating local roads grants is based on each council's road length (for all surface types) and traffic volumes, using average annual preservation costs for given traffic volume ranges. The methodology also includes a series of cost modifiers for freight loading, climate, materials, sub-grade conditions and strategic routes and takes account of the deck area of bridges on local roads.

This formula is designed to reflect the relative needs of Victorian councils in relation to local roads funding in accordance with the National Principle relating to the allocation of local roads funding.

### Road and traffic volume data

The allocation of local roads grants for 2018–19 was based on road length and traffic volume data reported by all councils for the 12 months to June 2017.

Similar to previous years, councils were asked to categorise their local road networks according to nine broad traffic volume ranges—four for urban roads and five for rural roads.

Victorian councils reported a total of 130,440 kilometres of local roads as at 30 June 2017, an increase of 258 kilometres, or 0.2 per cent more than the length reported 12 months earlier.

Where significant changes were made to the data previously provided, councils were asked to verify those data changes and, in some instances, provide additional supporting documentation. In two cases where, after additional consultation with the councils concerned, the Commission was not able to be satisfied with the veracity of their local roads data changes, the proposed changes were not accepted by the Commission.

Variations were as follows:

**Table 24** Variations in Victoria's local road length

Change in length of local roads	Number of councils
Increase of more than five per cent	2
Increase of one per cent to five per cent	7
Increase of up to one per cent	26
No change	24
Decrease of up to one per cent	18
Decrease of one per cent to five per cent	2
<b>Total</b>	<b>79</b>

### Asset preservation costs

Average annual preservation costs for each traffic volume range are used in the allocation model to reflect the cost of local road maintenance and renewal.

The asset preservation costs used in the 2018–19 allocations were unchanged from the previous year and are shown in the table below.

Table 25 Victorian asset preservation costs

Local road type	Daily traffic volume range	Annual asset preservation cost \$/km
Urban	<500	7,200
	500–<1,000	9,800
	1,000–<5,000	13,200
	5,000+	21,400
Rural	Natural surface	700
	<100	5,000
	100–<500	10,400
	500–<1,000	11,600
	1,000+	13,200
Timber bridge		\$200/square metre
Concrete bridge		\$120/square metre

### Cost modifiers

The Commission's formula for allocating local roads grants is designed to reflect the relative needs of Victorian councils in relation to local roads funding in accordance with the National Principle relating to the allocation of local roads funding.

The allocation model uses a series of five cost modifiers to reflect differences in circumstances between councils in relation to:

- the relative volume of freight carried on local roads in each council
- climate
- the availability of road-making materials
- sub-grade conditions
- strategic routes.

Cost modifiers are applied to the average annual preservation costs for each traffic volume range for each council to reflect the level of need of the council relative to others. Relatively high cost modifiers add to the network cost calculated for each council, and so increase its local roads grant outcome.

No changes were made to the cost modifiers for the 2018–19 allocation. However, the freight cost modifier was recalculated using data from the 2016 census.

### Grant calculation

The Commission calculates a total network cost for each council's local roads. This represents the relative annual costs faced by the council in maintaining its local road and bridge networks, based on average annual preservation costs and taking account of local conditions, using cost modifiers.

The network cost is calculated using traffic volume data for each council, standard asset preservation costs for each traffic volume range and cost modifiers for freight carriage, climate, materials availability, sub-grade conditions and strategic route lengths. The deck area of bridges on local roads is included in the network cost at a rate of \$120 per square metre for concrete bridges and \$200 per square metre for timber bridges.



Mathematically, the calculation of the network cost for a single traffic volume range for a council can be illustrated as follows:

\* Overall cost modifier is calculated by multiplying the cost modifier for freight, climate, materials, reactive sub-grades and strategic routes.

The actual local roads grant is then determined by applying the available funds in proportion to each council's calculated network cost.

### Limits to grant movements

No constraints were applied to increases or decreases in local roads grants for the 2018–19 allocations.

### Entitlements 2018–19

In general, where a significant change occurred in a council's local roads grant for 2018–19, this was due to a combination of:

- significant changes in traffic volume data supplied by the council to the Commission and/or
- the impact of removing the constraints on grant movements.

A summary of the changes in estimated local roads grant entitlements from 2017–18 to 2018–19 is shown in the table below.

**Table 26** Victorian changes in estimated local roads grant entitlements

Change in local roads grant	Number of councils
Increase of 10 per cent (upper limit)	0
Increase of five per cent to 10 per cent	12
Increase of zero per cent to five per cent	66
No change	0
Decreases	1
<b>Total</b>	<b>79</b>

## Developments in the use of long term financial and asset management plans by local government

### Fair Go Rates System

Following the introduction of the Fair Go Rates System (FGRS) from 1 July 2016, an annual cap is applied to rate rises by Victorian councils. The rate cap percentage is set annually by the Minister for Local Government following consideration of advice received from the Essential Services Commission (ESC). The FGRS policy aims to ensure council rates remain sustainable while keeping the cost of living down for Victorians. Local governments have therefore continued to focus on maximising value for money while also budgeting and planning for long term financial sustainability. The following caps were applied:

- 2016–17 financial year 2.50 per cent
- 2017–18 financial year 2.00 per cent
- 2018–19 financial year 2.25 per cent.

The Victorian Act provides for a council to make application to the ESC to set a higher cap based on local circumstances and needs. The application can be for single or multiple years. The ESC assesses each application on their merits.

The ESC approved the following applications:

- 2017–18 financial year six applications approved, two of which were for multiple years through to 2018–19
- 2017–18 financial year two new applications, one of which was for multiple years to 2020–21
- 2018–19 financial year one single year application, with three multiyear approvals continuing.

In May 2019, the ESC released its report into the first two years of rate capping, being 2016–17 and 2017–18 and is required by legislation to prepare such a report every two years.

### *Finance and Accounting Support Team (FAST)*

Victorian councils are responsible for managing over \$110 billion in infrastructure and assets, which impacts their finances significantly. Robust asset management practices and responsible strategic financial planning are therefore required to ensure councils maintain and renew these long-lived assets appropriately to remain financially sustainable over the long term.

The local government Finance and Accounting Support Team (FAST) program announced in 2017–18 is a four-year program that is designed to improve the financial sustainability of local governments, particularly those in rural and regional Victoria. The first year of the program included applications from councils for assistance with developing both long-term financial plans and asset management plans and strategies. These projects remain in progress.

In 2018–19, financial planning and assessment management remained an important area for improvement in rural councils as did their approach to procurement.

### *Rural and Regional Councils Sustainability Program*

In 2016, the Victorian Government commissioned a report into rural and regional council sustainability. The report was undertaken by consultants KPMG and involved a number of council and community-based workshops across the State.

In December 2017, the Rural and Regional Councils Sustainability Reform Program report was released. This report provided the documentary evidence of the enablers and inhibitors to financial and operational sustainability.

This report proposed addressing financial and operational sustainability through three key reform themes:

- State local government alliance, (sustainable service delivery and finding models)
- Operational transformation, (regional service delivery, a modern digital strategy and small shire stabilization)
- Stronger local governance, (building local capacity and innovative community engagement).

In response to this report and following extensive engagement with the sector, the Victorian Government developed the Rural Council Transformation Program which was launched in August 2018.

This program provided a \$20 million fund to encourage transformation across rural and regional Victoria. Four regional groupings, comprising 19 local governments were successful in the funding application.

The magnitude and complexity of these reform initiatives, including major ICT enhancements will require implementation over a number of financial years.

### *Long-term financial planning*

The proposed Local Government Bill 2018 elevated the importance of strategic financial management and responsible asset management. The Bill provides for the introduction of 10-year financial plan and asset plans both of which be subject to deliberative engagement principles.

An extensive program of co-design is intended once the legislation is made.

The Local Government Bill 2018 was introduced into Parliament in 2018 but was not passed before Parliament was prorogued for the 2018 Elections.

## **Actions to develop and implement comparative performance measures between local government bodies**

### *Local Government Performance Reporting Framework and the Know Your Council website*

2018 marked the fourth year of operation for the Local Government Performance Reporting Framework. Established in November 2015 and launched by the Minister for Local Government, the framework and the related Know Your Council website (<https://knowyourcouncil.vic.gov.au/>) is designed to improve council transparency and accountability through enabling the community to access and compare council performance.

The website, supported by Victoria's Local Government Performance Reporting Framework (LGPRF), requires all Victorian councils to annually collect and report their data against 5 performance indicators across 11 different service areas, including finance, roads, waste collection and libraries. The framework also includes a checklist of 24 items considered essential for supporting good governance and management in local government.

The 2017–18 data was released publicly on 30 October 2018 with 5,000 users visiting the site in the first 72 hours. As well as comparing councils, users can view trend data in addition to reading commentary from council explaining the context of their performance results.

The Know Your Council website has shown to be a popular resource across a varied audience, including:

- several other jurisdictions around Australia and overseas, who have shown interest in developing a similar resource
- media outlets, using the data and council commentary for news articles
- the public with over 900,000 users visiting the site since it was launched.

## Local government reform activities including deregulation and legislative changes

### *Legislative reform*

The Victorian Government continued with its extensive review of the *Local Government Act 1989* in 2018–19.

The *Local Government Bill 2018* was introduced into the Victorian Parliament and passed the Legislative Assembly on 21 June 2018 and was second read in the Legislative Council on that day. The Bill was not considered by the Legislative Council and so lapsed when Parliament was recessed for the 2018 Victorian state election that was held on Saturday, 24 November 2018.

## Initiatives undertaken and services provided by local governments to Aboriginal and Torres Strait Islander communities

### *Aboriginal and Torres Strait Islander community initiatives*

The Victorian Aboriginal and Local Government Action Plan (Action Plan) was launched by the Minister for Aboriginal Affairs and former Minister for Local Government, the Hon Natalie Hutchins in December 2016.

The Action Plan is a resource for local councils and Aboriginal Victorians to strengthen relationships and drive positive change. The Plan provides a framework to assist councils to engage and partner with Aboriginal communities and organisations and is a toolkit listing resources and best practice case studies.

A selection of case studies included in the Action Plan aim to build a sense of community ownership, reflect good practice occurring across Victoria and enhance the value of the Action Plan as a resource.

The Action Plan lists 23 actions that have largely been achieved since its launch in 2016, through partnership between state government agencies, Aboriginal and other community organisations and councils.

The Implementation Partnership Group comprising state government agencies, councils, Aboriginal and community organisations participated in a Workshop on 5 December 2018 to review progress against each action in the Action Plan and to identify areas for improvement of coordination and implementation. The Workshop also determined an approach to the further review of the Action Plan and development of a Victorian Aboriginal and Local Government Strategy incorporating Aboriginal self-determination principles.

A procurement for an independent Aboriginal business to undertake the wide-ranging review and future development of the Victorian Aboriginal and Local Government Strategy was undertaken during the year. The review would utilise a co design, collaborative approach between government, local councils and Aboriginal communities. The completion of the review in 2020 and development of the draft five-year Victorian Aboriginal and Local Government Strategy is a significant highlight.

During the 2018–19 year, Local Government Victoria has continued to:

- support the Margoles website as a platform that promotes good practice in local government and Aboriginal community partnerships
- improve local government and Traditional Owner engagement strategies of current and future Recognition and Settlement Agreements
- provide annual support for community organisations to foster reconciliation through the Victorian Local Governance Association and Reconciliation Victoria's Helping Achieve Reconciliation Together (HART) Awards and the Local Government Professionals (LGPro) Aboriginal Partnerships Awards for Excellence.

## Report from the Queensland Government

The methodology used for distributing funding under the Financial Assistance Grant program to local government for 2018–19 by your Local Government Grants Commission

### *Local roads component*

This component of the Financial Assistance Grant is allocated as far as practicable on the basis of relative need of each local government for roads expenditure and to preserve its road assets.

In the opinion of the Commission, a formula based on road length and population best meets this National Principle for Queensland. This formula is:

- 62.85 per cent of the pool is allocated according to road length
- 37.15 per cent of the pool is allocated according to population.

### *General purpose component*

A new methodology was implemented for the general-purpose grant (GPG) in 2011–12 and has continued to be used since that point in time. The methodology complies with the National Principles and there was one minor change made for the 2018–19 grant allocation. The commission decided to increase the maximum location cost adjustor from 2 to 2.5 (the minimum is 1).

As in previous years, every local government in Queensland is entitled to a minimum grant under the National Principles. This minimum grant is equivalent to a per capita distribution of 30 per cent of the GPG pool. In 2018–19, this amount equated to \$20.79 per capita. The remaining 70 per cent of the GPG pool is distributed based on relative need, according to the National Principles.

To determine relative need, the methodology derives averages for revenue raising and expenditure on service provision to be applied to all Local Governments within the State. Since 2013–14, data has been collected from all Indigenous councils, resulting in a more complete dataset and more accurate averages.

After application of these averages, the Commission uses various cost adjustors which allow for factors outside a council's control that affect its ability to raise revenue or provide services, again in keeping with the National Principles.

### **Assessing revenue**

The Commission uses the revenue categories of:

- Rates
- Other grants and subsidies (as per the National Principles)
- Garbage charges
- Fees and charges.

### *Rate revenue assessment*

The rating assessment has remained: the total State rate revenue is divided by the total state land valuation to derive a cent in the dollar average, which is then multiplied by each Council's total land valuation. Both the State total and individual council valuation figures are averaged over five years.

Figure 10    Queensland rating assessment

$$\frac{\text{State total rate revenue}}{\text{State total valuation (5-year average)}} = \frac{\text{Council total valuation (5-year average)}}{\text{Council's assessed rate revenue}}$$

This is then adjusted to allow for each Council's capacity to raise rates, using an Australian Bureau of Statistics product, the Socio-Economic Indexes for Areas (SEIFA). The methodology uses three of the indices:

- Index of Relative Socio-Economic Advantage and Disadvantage (SEIFA 2).
- Index of Economic Resources (SEIFA 3).
- Index of Education and Occupation (SEIFA 4).

Because Indigenous councils do not generally levy rates, 20 per cent of their Queensland Government Financial Aid allocation is used as a proxy for rate revenue.

All other revenue assessment

Fees and charges are averaged on a per capita basis. Garbage revenue is averaged on the basis of the number of residential properties serviced for each local governing body.

In accordance with the National Principle for Other Grant Support, grants relevant to the expenditure categories considered by the Commission are included as revenue according to the actual amounts received by council. Three grants are included by the Commission, as follows:

- Previous year's Local Roads Component (50 per cent).
- Queensland Government Financial Aid (Indigenous councils only—20 per cent).
- Minimum grant component of previous year's GPG (100 per cent).

Revenue assessment model

The following table provides summary information on the drivers and units of measurement for each revenue category.

Table 27    Queensland revenue assessment model

Revenue category	Revenue driver(s)	Unit of measure (state average)
Rates	Total valuations	Average cent in dollar rates: \$0.008
Garbage charges	Residential properties	\$512 per residential property
Fees and charges	Population	\$371 per capita
Other grants	Actual grants received	Identified Road Grant (50 per cent used) Queensland Government Financial Aid (20 per cent) Minimum grant component of the general purpose component of the Financial Assistance Grant program (100 per cent)

## Assessing expenditure

With regard to the expenditure assessment, the Commission includes nine service categories:

- Administration
- Public order and safety
- Education, health, welfare and housing
- Garbage and recycling
- Community amenities, recreation, culture and libraries
- Building control and town planning
- Business and industry development
- Roads
- Environment.

The Commission considers cost adjusters that are applied to service categories to allow for the differences in service delivery across the State. Further detail regarding key expenditure categories, units of measure and cost adjusters is provided in the following table.

Table 28 Outline of expenditure assessment 2018–19

Service expenditure category	2018–19 unit of measure	Services cost adjusters		
		Location	Demography – Indigenous; Age; Indigenous/age	Scale
Administration	Actual remuneration category + \$395 per capita + \$388 per property/\$132 per capita (Indigenous councils)	✓		✓
Public order and safety	\$33 per capita	✓	✓	✓
Education, health, welfare and housing	\$27 per capita	✓	✓	✓
Garbage and recycling	\$374 per residential property/ \$118 per capita (Indigenous councils)	✓		✓
Community amenities, recreation, culture and libraries	\$223 per capita	✓	✓	✓
Building control and town planning	\$162 per residential property/ \$51 per capita (Indigenous councils)	✓		✓
Business and industry development	\$45 per capita	✓		✓
Environment	\$100 per residential property/ \$34 per capita (Indigenous councils)	✓		✓
Roads	Road expenditure assessment (see below)	✓		✓



## Roads expenditure

The Commission uses an asset preservation model to assess road expenditure, estimating the cost to maintain a council's road network, including bridges and hydraulics. The following table provides the dollar values allocated on the basis of traffic volumes and the cost adjusters applied.

Table 29 Queensland road expenditure assessment model

			Cost adjusters (per cent)									
			Climate		Soil sub-grade			Locality on-cost		Terrain		
	Traffic volume range (adjusted vehicles per day)	Base cost (\$/km)	Favourable (TI -50)	Adverse (TI +100)	Good (CBR>10)	Poor (CBR<5)	MR Reactive	<1.0p/km^2	<0.1p/km^2	Undulating	Hilly	Mountainous
Rural	Unformed	354	0	25	0	0	0	5	10	2	5	0
	<40	708	0	20	0	0	0	5	10	2	5	0
	40–150	3,386	0	20	0	10	10	5	10	2	5	0
	150–250	6,152	–10	15	–5	10	10	2.5	5	2	5	10
	250–1,000	8,687	–7.5	10	–5	10	10	2.5	2.5	2	5	10
	1,000–3,000	11,000	–7.5	10	–5	10	10	2.5	2.5	2	5	10
	>3,000	15,149	–7.5	10	–5	10	10	2.5	2.5	2	5	10
Urban	<500	12,103	–7.5	10	–2.5	5	5	2.5	2.5	0	2	5
	500–1,000	18,822	–7.5	10	–2.5	5	5	2.5	2.5	0	2	5
	1,000–5,000	29,921	–7.5	10	–5	10	10	2.5	2.5	0	2	5
	5,000–10,000	54,272	–7.5	10	–5	10	10	2.5	2.5	0	2	5
	>10,000	92,758	–7.5	10	–5	10	10	2.5	2.5	0	2	5

Notes: TI = Thornthwaite Index  
 CBR = California Bearing Ratio  
 MR = Main Roads

Allowances are given for heavy vehicles which increase the road usage, resulting in increasing a council's road expenditure amount. These are outlined in the following table.

Table 30 Queensland allowances given for heavy vehicles

Vehicle type	Equivalent number of vehicles
Light to medium trucks, two axles	= 1 vehicle
Heavy rigid and/or twin steer tandem	= 2 vehicles
Semi-trailers	= 3 vehicles
B Doubles	= 4 vehicles
Road trains	= 5 vehicles

## Cost adjustors

Cost adjustors are indices applied to expenditure categories to account for factors outside a Council's control that impact the cost of providing services to its community. The current methodology uses the following cost adjustors:

- Location—represents the additional costs in the provision of services related to the council location and is based on the Accessibility/Remoteness Index for Areas.
- Scale—recognises economies of scale and is based on a sliding scale from one to two, with any council with a higher population than the average having a cost adjustor of one and the smallest council in Queensland with an adjustor of two.
- Demography—represents the additional use of facilities and increased service requirements due to the composition of the population according to age and Indigenous descent. These are calculated on a sliding scale from one to two reflecting the proportion of residents who are Indigenous, aged, young and Indigenous people over 50 years of age.

Table 28 identifies which cost adjustors are applied to the service categories.

## Scaling back

The Commission again used an equal weighting of proportional and equalisation scaling to ensure that each council received an equitable allocation, as the aggregate assessed need exceeded the quantum of the available funding for 2018–19.

## Application of the National Principle on the minimum grant

In 2018–19, the Commission determined, on the basis of the methodology, that the following councils were to receive the Minimum grant component of the general purpose grant only:

- Brisbane City Council
- Cairns Regional Council
- Gold Coast City Council
- Ipswich City Council
- Logan City Council
- Moreton Bay Regional Council
- Noosa Shire Council
- Redland City Council
- Sunshine Coast Regional Council
- Townsville City Council.

## Changes to the methodology for distributing funding to local government under the Financial Assistance Grant program for 2018–19 from that used in 2017–18

There was one minor change made for the 2018–19 grant allocation. The commission decided to increase the maximum location cost adjustor from 2 to 2.5 (the minimum is 1). Generally, this increases the assessed expenditure of rural and remote councils and results in higher General Purpose Grant allocations. The commission retained a location cost adjustor above the maximum for the following councils, due to their remoteness: Torres Shire Council,

Mornington Shire Council, Northern Peninsula Area Regional Council and Torres Strait Island Regional Council.

## Developments in the use of long-term financial and asset management plans by local government

All Queensland Local Governments are required to have long-term financial forecasts covering at least 10 years and to update the forecasts annually. To assist Local Governments to comply with this requirement, Queensland Treasury Corporation maintains the Local Government Forecast Model (LGFM). The LGFM is available to all Queensland local governments and includes five years of historical data and ten years of forecasts.

All Queensland Local Governments are required to prepare and adopt long-term asset management plans covering at least 10 years as part of, and consistent with, the long-term financial forecast.

In October 2016, the Auditor-General of Queensland tabled a report on forecasting long-term sustainability of Local Government, containing recommendations for improvement. Individual local governments in Queensland continue to implement those recommendations where appropriate.

## Actions to develop and implement comparative performance measures between local governing bodies

The provision of information by the Queensland Government to the community through the Queensland Local Government Comparative Information Report continued in 2018–19. This report assists Local Governments in their endeavours to develop new and more effective ways to deliver their services by providing an effective tool by which they can monitor trends over time and benchmark services performance both internally and with other councils.

## Reforms undertaken during 2018–19 to improve the efficiency and effectiveness of local government service delivery

During the 2018–19 financial year work progressed on measures to improve the efficiency and effectiveness of councils. A key measure was completed in October 2019 when Queensland's Legislative Assembly passed the *Local Government Electoral (Implementing Stage 2 of Belcarra) and Other Legislation Amendment Act 2019*, which contained the following measures to improve the integrity, transparency, diversity and consistency to improve Local Governments in Queensland:

- Mandatory training for election candidates
- Transparent dedicated candidate bank accounts and financial returns
- New restrictions on decisions made during the election period (i.e. caretaker period)
- Clarified responsibilities for councillors in preparing council budgets
- Improve real time donation disclosures, disclosures of real donation and gift sources and expenditure disclosures.

## Initiatives undertaken and services provided by local governments to Aboriginal and Torres Strait Islander communities

The Queensland Government continued to provide funding to Indigenous Local Governments to support the provision of Local Government services to their communities. In 2018–19, \$34.547 million was the funding pool for the State Government Financial Aid program for the state's 16 Indigenous councils. Each council received an allocation, in lieu of rates, to assist in the delivery of Local Government services such as community and town planning, urban storm water management, roads, environment and transport and water and sewerage.

Additionally, the Indigenous Councils Critical Infrastructure Program (ICCIP) is a \$120 million funding program that will deliver critical water, wastewater and solid waste infrastructure to Queensland's Indigenous councils. The program is being delivered over four years. The aim of ICCIP is to support Indigenous councils to deliver projects and infrastructure works relating to critical water, wastewater and solid waste assets, and provide a basis for the long-term strategic management of essential assets. This program allocated funding to all Indigenous Local Governments.

In 2017–18, the Queensland Government extended the Works for Queensland Program supporting 65 regional councils to undertake job-creating maintenance and minor infrastructure projects for a further two years (2017–18 to 2018–19). An additional \$200 million was allocated to 65 councils of which \$26.450 million of this allocated to Queensland's 16 Indigenous councils. Delivery of projects under this round will continue through to 30 June 2019.

Other funding provided by the Queensland Government to Indigenous councils in 2018–19 included \$3.525 million under the Revenue Replacement Program, an initiative under the State's alcohol-related harm reduction strategy for nine Indigenous Local Governments which compulsorily surrendered their council-held liquor licences in 2009. Funding was provided under this program to assist councils to maintain community services previously funded by the profits from alcohol sales.

Under the Indigenous Economic Development Grant program, with a total funding pool of \$1.44 million, the State continued its commitment to support Indigenous councils to employ municipal services staff. Each eligible council received \$80,000, except for Yarrabah and Palm Island Aboriginal Shire Councils and Northern Peninsula Area Regional Council, which each received \$160,000.

Fourteen priority infrastructure projects totaling \$4 million are being delivered in nine Indigenous council areas under the 2017-19 Local Government Grants and Subsidies program.

## Input on any local government reform activities, including deregulation and legislative changes, by your jurisdiction during the reporting period

Refer to response under the prior heading for reforms undertaken during 2018–19.

## Report from the Local Government Association of Queensland (LGAQ)

### Developments in relation to the use of long term financial and asset management plans

Queensland Local Government legislation has, for the last 12 years, obliged councils to adopt long-term (10-year) asset management plans and financial forecasts. Councils have responded well to this, recognising the value-add that these provide to local decision-making and having access to accurate, relevant and timely information.

These documents are considered to be two of the three pillars of good decision-making in the community interest—the other being the Corporate Plan, developed in consultation with the local community.

Given the differences in size, shape and sustainability of Queensland's 77 councils, progress and expertise development with these plans and forecasts varies in quality and sophistication and are reflective of the level of resources available to each council.

Small remote councils, which are heavily reliant on variable and inconsistent State and Federal grants and funding, find it difficult to develop useful and reliable forecasts, although the resulting modelling using the tool provides useful information to support funding application cases submitted.

LGAQ, along with other sector stakeholders such as the Local Government Finance Professionals Queensland, Queensland Treasury Corporation and the Institute of Public Works Engineering Australasia, Queensland (IPWEAQ) continue to provide professional development and practical training to improve local standards and commitment of necessary council resources to develop and utilize these essential tools.

Long-term financial sustainability and financial planning for councils in Queensland and nationally will be significantly and materially improved through the provision of allocative, long-term funding programs that are indexed to council costs.

### Actions to develop and implement comparative performance measures

The LGAQ has itself invested in several projects to support our members with access to comparative performance measures.

Our longest running initiative is Ready.Set.Go, which is an online tool able to be accessed by Queensland councils through our member portal. This service provides comparative data for all seventy-seven Queensland councils stretching back a decade to 2010-11 across what has grown to forty-four performance metrics.

In addition, Ready.Set.Go provides a parallel platform for 22 participating councils which have chosen to share a range of comparative workforce data covering employment type, gender, age and other workforce performance measures.

The Association also released a new community facing comparison site for 43 participating member councils: [www.mycouncilstory.com.au](http://www.mycouncilstory.com.au). This website provides community access to a range of local governments' comparative performance measures covering local government

area characteristics, community profiles, financial performance and key expenditure and financial sustainability measures. Up to four councils can be simultaneously compared from amongst the participating councils.

The LGAQ has also undertaken significant investment in establishing an enterprise grade data analytics platform for local government known as LG Sherlock. This service assists councils to access sophisticated analytics that can assist with local decision making, and most of the available data services provide include detailed comparative functions. This data service provides councils with insights into operational areas as diverse as electricity use, motor vehicles, waste management and emissions.

## Report from the Western Australian Government

### The methodology used by the Western Australian Local Government Grants Commission for distributing funding under the Financial Assistance Grant program to local government for 2018–19

The Western Australian share of Commonwealth funding for 2018–19 was \$293,275,889, being 11.93 per cent of the national allocation of \$2,457,414,984. Western Australia's share consisted of \$177,791,685 for the general purpose component and \$115,484,204 for the local roads component.

In 2018–19, 32 local governments received the minimum grant entitlement which equated to \$20.67 per capita. This was an increase from 2017–18 when local governments received \$20.18. Collectively, the local governments receiving the minimum grant accounted for \$42.2 million (23.7 per cent) of the total general purpose funding pool while containing 79.2 per cent of the State's population.

Armadale was allocated the minimum grant. While their equalisation need is greater than their minimum grant, the minimum grant was higher than the grant the WA Local Government Grants Commission (the Commission) could provide through normal increases to their grant based on the amount of funding available.

The remaining local governments received an allocation based on their equalisation need. As part of this process, any local government receiving less than 50 per cent of their equalisation need was lifted to 50 per cent. The scaleback (where funding available meets equalisation need) in 2018–19 was determined to be 69 per cent. Local governments were at various points around this figure as a result of methodology changes and annual fluctuations.

A maximum decrease of 14.8 per cent was applied to three local governments general purpose grant because of a significantly falling equalisation need. The Shire of Ashburton's grant was reduced by 12.51 per cent as a result of amendments to road data.

Any other local governments receiving a general purpose grant greater than 69 per cent of their equalisation need received a one per cent reduction. This freed up funding that was able to be used to help increase the general purpose grant of local governments receiving less than the scaleback of 69 per cent.

### General purpose grants

The Commission continues to use the Balanced Budget method for allocating General Purpose Grants. The Balanced Budget approach to horizontal equalisation applies to all 137 local governments in Western Australia and is primarily based on the formula:

$$\text{Assessed expenditure need} - \text{assessed revenue capacity} = \text{assessed equalisation requirement}$$

Calculation of assessed revenue capacity is based on standardised mathematical formula updated annually and involves assessing the revenue-raising capacity of each local government in the categories of:

- Residential, Commercial and Industrial Rates
- Agricultural Rates
- Pastoral Rates

- Mining Rates
- Investment Earnings.

Assessed expenditure need is based on standardised mathematical formula updated annually, involving the assessment of each local government's operating expenditures in the provision of core services and facilities under the 'standard' categories of:

- Governance
- Law, Order and Public Safety
- Education, Health and Welfare
- Community Amenities
- Recreation and Culture
- Transport.

### **Cost adjustors**

Cost adjustors are determined through a combination of data specific to the cost adjustor as well as a population component. As several small and remote local governments have a high (more disadvantaged) cost adjustor specific data scores, a weighting on population in the cost adjustors ensures that local governments with small populations are not compensated excessively.

The cost adjustors (12), in order of significance, as determined by the Commission, are as follows:

- Location
- Socio-Economic Disadvantage
- Growth
- Population Dispersion
- Climate
- Aboriginality
- Fire Mitigation (formerly Terrain)
- Regional Centres
- Off-Road Drainage
- Medical
- Cyclone
- Special Needs.



Table 31 Western Australian cost adjustors applied to expenditure standards

<b>Expenditure standard</b>	<b>Cost adjustors applied to expenditure standard</b>
Governance	Location, Socio-Economic Disadvantage, Aboriginality, Regional Centres
Law, order and public safety	Location, Socio-Economic Disadvantage, Population Dispersion, Fire Mitigation, Cyclone, Special needs
Education, health and welfare	Location, Socio-Economic Disadvantage, Population Dispersion, Medical Facilities
Community amenities	Location, Socio-Economic Disadvantage, Growth, Population Dispersion, Regional Centres, Off-Road Drainage, Special Needs
Recreation and culture	Location, Socio-Economic Disadvantage, Growth, Population Dispersion, Climate, Regional Centres
Transport	N/A

Data from a wide range of sources is used to calculate the cost adjustors applied to the expenditure standards. Wherever possible, data is collected from independent sources such as the Australian Bureau of Statistics.

Table 32 Data sources utilised by the Western Australian Local Government Grants Commission

<b>Data Type</b>	<b>Source</b>
Accessibility Remoteness Index of Australia (ARIA++)	National Centre for Social Applications of GIS (GISCA)
Socio-economic Indexes of Areas (SEIFA)	Australian Bureau of Statistics (ABS), Cat: 2033.0.55.001
Population, population forecasts	ABS Cat: 3218.0 as at 24 April 2018, Department of Planning—2015 WA Tomorrow Growth Report
Population dispersion	ABS Quickstats for Townsite Populations
Regional centres	Determined by the Commission
Aboriginal population	2016 ABS Census QuickStats
Fire mitigation	Department of Home Affairs and Environment—Biophysical Attributes of Local Government
Cyclone	Australian Building Standards for Cyclone Prone Areas (Australian Building Code Board)
Off-road drainage data	Road Information Returns, Main Roads WA
Interest expenditure/investment revenue	WA Treasury Corporation, WA Local Government Grants Commission Information Returns
Valuations, area, assessments	Landgate (Valuer-General)
Residential, commercial and industrial rates, agricultural rates, pastoral rates, mining rates	WA Local Government Grants Commission Information Returns
Climate	Bureau of Meteorology

Equalisation averaging

The Commission uses the ‘Olympic’ method of averaging general-purpose grant equalisation needs. This method takes the last six years’ equalisations, removes the highest and lowest figures and averages the remaining four equalisations.

Local road grant funding

The Commission distributes Local Road Grants using the Asset Preservation Model, which has been in place since 1992.

Under the arrangements approved for Western Australia, seven per cent of the Commonwealth funds provided for local roads are allocated for special projects (one-third for roads servicing remote Indigenous communities and two-thirds for bridges). The remaining 93 per cent is distributed in accordance with road preservation needs, as determined by the Commission’s Asset Preservation Model (APM). The model assesses the average annual costs of maintaining each local government’s road network and has the capacity to equalise road standards through the application of minimum standards. These standards help local governments that have not been able to develop their road systems to the same standard as more affluent local governments.

Main Roads WA contributes an additional third of the cost of special projects funded under this program.

The amounts allocated for 2018–19 were:

Table 33 Allocations for special projects in Western Australia

Special projects component	Amount (\$)
Roads servicing Aboriginal communities	2,695,087
Bridges	5,390,981
Distributed according to the asset preservation model	107,398,136
Total	115,484,204

Special projects—roads servicing remote Aboriginal communities

In 2018–19, the Special Projects funds for Aboriginal access roads were:

Table 34 Western Australian special projects funds for Indigenous access roads

Special projects	Amount (\$)
Special project funds from the Western Australian Local Government Grants Commission	2,695,087
State funds from Main Roads Western Australia	1,347,543
Total	4,042,630

The Aboriginal Roads Committee advises the Commission on procedures and priorities for determining the allocations of Commonwealth road funds for roads servicing remote Aboriginal communities and recommends the allocations that are made each year.

Membership of the Committee is made up of representatives from each of the following organisations:

- WA Local Government Grants Commission (Chair)
- Western Australian Local Government Association
- Main Roads Western Australia
- Department of Planning, Lands and Heritage
- Department of Local Government, Sport and Cultural Industries
- Department of the Prime Minister and Cabinet.

The Committee has established funding criteria based on factors including the number of Aboriginal people serviced by a road, the distance of a community from a sealed road, the condition of the road, the proportion of traffic servicing Aboriginal communities and the availability of alternative access. These criteria have provided a rational method of assessing priorities in developing a five-year program.

The Committee's recommendations are submitted to the Commission for endorsement.

### Special projects—bridges

The Commission's policy for allocating funds for bridges recognises that there are many local government bridges that are in poor condition, and that the preservation of these bridges must be given a high priority.

The Special Project funds for bridges are only allocated to preservation type projects, recognising that some of these projects may include some upgrading, and that preservation includes replacement when the existing bridge has reached the end of its economic life.

In 2018–19, the Special Project funds for the preservation of bridges were:

**Table 35** Western Australia 2018–19 special projects for bridges

<b>Special projects —bridges</b>	<b>Amount (\$)</b>
Special project funds from Commission	5,390,981
State funds from Main Roads	2,691,589
<b>Total</b>	<b>8,082,570</b>

A Bridge Committee advises the Commission on priorities for allocating funds for bridges. Membership of the Committee is made up of representatives from the following organisations:

- WA Local Government Grants Commission (Chair)
- Western Australian Local Government Association
- Main Roads Western Australia.

The Committee regularly receives recommendations from Main Roads WA on funding priorities for bridges. Main Roads WA inspects and evaluates the condition of local government bridges and has the expertise to assess priorities and make recommendations on remedial measures. As part of the process, local governments make applications to the Commission for bridge funding each year.

The Committee's recommendations are submitted to the Commission for endorsement.

## **Publications**

Detailed calculations and explanations are made available to local governments through the Commission's website.

## **Changes to the methodology for distributing funding to local government under the Financial Assistance Grant program**

Expenditure and revenue standards were calculated in the same way as 2017–18. However, equations were updated to reflect the new input data.

The Commission calculates the allocation of the general-purpose grants each year in accordance with the National Principles. At the end of the process it publishes an updated methodology guide. For 2018–19, there were a number of refinements, including the following.

### ***Refinements to the methodology for 2018–19***

The Commission calculates the allocation of the general purpose grants each year in accordance with the National Principles. For 2018–19, there were a number of refinements, including the following.

#### **Implementation of new census data**

Data was updated to reflect the availability of new census data. This affected the Socio-Economic Index for Areas scores, Aboriginal populations and townsites populations most significantly as these are only updated with the census. While population figures are recalculated and released by the ABS annually, there were some substantial changes to local government populations due to the availability of the newer census data. All updates impacted on allocations significantly.

#### **Rating standards—data**

The Commission received an expanded set of rating data from the Office of the Valuer-General. This included the provision of unimproved values for residential, commercial and industrial properties that the Commission believed it had already been receiving.

The Office of the Valuer-General provided the last three years' data to allow the Commission to update its three-year averages using consistent data. The updated data set will provide a more complete and equitable recognition of rating capacity.

#### **Climate cost adjustor—data**

The Commission previously used a 30-year average of climate data. As the Bureau of Meteorology only updates its 30-year average of climate data every 10 years, the Commission resolved to use an all year's average as it is updated on an annual basis, taking into account the most recent data.

#### **Population dispersion—2,000-person cap on townsites recognition**

The Commission reintroduced the 2,000-person cap on townsites in the population dispersion cost adjustor. This does not exclude townsites greater than 2,000 people, rather it uses a population of 2,000 people if their population is greater. This is to reflect economies of scale and to avoid a handful of townsites receiving an excessive cost adjustor allocation.

## Growth data change

The Commission staff previously did not use the 2015 WA Tomorrow Growth Report as the 2012 report provided growth data for every year whereas the 2015 report only provided data for five year intervals. Due to the growing discrepancy between actual population and projections, the Commission resolved to use the 2015 data, albeit the period may at times overlap with historical five years' population figures.

## Regional centres—inclusion of Busselton and Collie

The City of Busselton and the Shire of Collie submitted to the Commission for recognition as regional centres. The Commission has resolved to accept the submissions.

## Scaleback method

The Commission changed its phasing policy for the 2018–19 grant determinations. It had become apparent that due to the limited funding pool growth in recent years, the Commission was unable to provide the desired increases in grants to local governments that were receiving significantly less than their general purpose equalisation need.

The Commission agreed that this was inequitable and that a fairer method would need to be implemented. As part of this process, any local government receiving less than 50 per cent of their equalisation was lifted to 50 per cent. The scaleback (where funding available meets equalisation need) in 2018–19 was determined to be 69 per cent. As a result, any local governments above 69 per cent received a one per cent reduction in their general purpose grant. The remaining local governments below 69 per cent shared in the freed up funding. The Commission intends for all local governments to receive a common scaled back figure in the future and will continue to transition to this.

## Developments in the use of long-term financial and asset management plans by local government

In August 2010, the State Government introduced regulations which established new requirements for the Plan for the Future under the Local Government Act 1995. Under the regulations, all local governments in Western Australia were required to have developed and adopted two key documents by 30 June 2013: a Strategic Community Plan and a Corporate Business Plan. These were supported and informed by resourcing and delivery strategies, including an Asset Management Plan, a Long Term Financial Plan and a Workforce Plan. These all form part of the Integrated Planning and Reporting (IPR) Framework and the Advisory Standard, which sets out associated performance measures.

The Department Local Government, Sport and Cultural Industries (DLGSC) continues to monitor that Strategic Community Plan's and a Corporate Business Plans are being reviewed within prescribed required timeframes, whilst local government auditors continue to attest that the two asset ratios reported in the annual financial report are supported by verifiable information and reasonable assumptions.

## Actions to develop and implement comparative performance measures between local governing bodies

In April 2016, the MyCouncil comparative website was launched. MyCouncil provides a place to find out how local governments are raising, spending and managing their money. The website continues to provide data on local government finances and demographics drawn principally from local government audited financial statements

and the Australian Bureau of Statistics, with the data being updated annually in the first quarter of the calendar year, including the 2018–19 financial year.

MyCouncil enables users to compare key demographic and financial information. Data such as council expenditure by program, rates and other revenue and service delivery can be viewed for each council and compared with others. The financial information presented in the website is provided by local governments to DLGSC and the Commission. Demographic data is sourced from the ABS and local governments.

MyCouncil also includes information about each local government's financial health using the Financial Health Indicator (FHI). The FHI methodology was developed by the Western Australian Treasury Corporation with input from financial professionals working in local governments across Western Australia. These provide a guide to the financial sustainability of local government, especially when viewed as a trend, and continues to provide valuable feedback to local governments which allows them to reassess and adjust their actions.

### Support for local government

In February 2019 Local Government Professionals WA was funded by DLGSC to expand the Peer Support Program into regional local government areas. The purpose of the program is to facilitate meaningful peer support to participating local governments to help improve the content and performance of their IPR framework through regional collaboration and resource sharing.

The program has been widely promoted with interest from across the State. DLGSC held an interactive IPR Capacity Building Forum aimed to demonstrate a multitude of simple and effective ideas to assist local governments. The focus of the forum was on the importance of peer support—the benefits as well as efficiencies through local governments working together.

DLGSC and Local Government Professionals WA partner in a CEO Support Program that assists Local Government CEOs to be better equipped to deal with the challenges currently facing the sector. In 2018–19, the program included: 24 local government CEOs who participated in coaching and mentoring; 35 CEOs who attended the Connections forums; and 27 local government staff who attended the executive leadership training.

## Reforms undertaken during 2018–19 to improve the efficiency and effectiveness of local government service delivery

### State Local Government Partnership Agreement

Signed in 2017, the Agreement is an ongoing engagement mechanism between the State Government and local government to discuss and address issues of mutual interest. The Agreement Leadership Group meets twice a calendar year and in 2018–19 a Directors General Working Group was established to progress the implementation of an agreed work plan.

## Initiatives undertaken and services provided by local governments to Aboriginal and Torres Strait Islander communities.

### Regional Services Reform Unit

Local government plays a significant role in the design and investment of services in Western Australia. There are 25 local governments in Western Australia that have remote Aboriginal communities within their boundaries. Most of these local governments feature small

populations, remote locations and large areas with harsh environments. There is frequently a low proportion of rates to total income, high needs and limited local economies—all impacting on the ability to deliver services.

The Regional Services Reform team is working to address the significant and historic gap between the life outcomes of Aboriginal and non-Aboriginal West Australians in regional and remote areas, with a particular focus on the Kimberley and Pilbara.

The vision for regional services reform is for Aboriginal families in regional and remote Western Australia to be more resilient and for Aboriginal communities to be stronger, focusing on long-term, systemic change. It aims to provide Aboriginal people in regional and remote areas with access to the life opportunities enjoyed elsewhere in the State.

The reform unit consulted widely with Aboriginal leaders and other stakeholders to develop a roadmap for reform that was endorsed by Cabinet in July 2016. The roadmap set out 10 priority actions to be undertaken within two years. The release of the roadmap was followed by an extensive period of engagement with the State's 274 remote Aboriginal communities.

The Regional Services Reform Unit secured \$250 million State Government funding for programs to strengthen Aboriginal families, improve living conditions, increase job prospects and accelerate student progress at school. Current reform programs, including the North-West Aboriginal Housing Fund and the Essential and Municipal Services Upgrade Program, are now being led by the Department of Communities in collaboration with Aboriginal organisations, the Commonwealth Government, local governments and community service providers.

### Aboriginal Heritage Act reform process

In March 2018 the Minister for Aboriginal Affairs initiated a review of the *Aboriginal Heritage Act 1972*. More than 130 submissions were received by the WA Department of Planning, Lands and Heritage. In March 2019, the Minister for Aboriginal Affairs released a discussion paper and additional materials setting out proposals for a new Aboriginal heritage system and consultation with local governments was undertaken between March and May 2019.

### Western Australian Cultural Infrastructure Strategy consultation

Key stakeholder consultation on the draft WA Cultural Infrastructure Strategy took place from June 2018 to March 2019. Consultants were engaged in the Kimberley, Pilbara, Mid West, and Perth to undertake interviews and workshops with Aboriginal key stakeholders, gathering feedback from 116 stakeholders in total. A consultant was engaged to facilitate three workshops in Perth, attended by 136 stakeholders. A State-wide online survey gathered feedback from 149 respondents. Two live webinars were held to engage 38 regional stakeholders in conversation, and two live webinars were conducted in partnership with the Western Australian Local Government Association to engage 14 local governments. Thirty-three written submissions were also received, making a total of 486 key stakeholder engagements with the draft Strategy overall.

The Strategy will celebrate WA's rich traditional and contemporary Aboriginal culture and promote our State as a destination of choice.

WA's Aboriginal cultural values will underpin the DLGSC's strategy to enhance all our cultural places and spaces contributing to WA's unique sense of identity. DLGSC has already undertaken stakeholder consultation on cultural infrastructure as part of the Strategy to help enrich the lives of Western Australians by having greater access to art and cultural experiences.

## KidSport

WA State Government has been working with local governments and the community to continue to deliver a streamlined, consistent and accessible KidSport program, which in 2018–19 delivered almost \$3.5 million distributed through 25,368 vouchers. Over 15 per cent of these vouchers were distributed to those identifying as being from the Aboriginal community (3,830 vouchers) and a further 1,445 vouchers assisted people with a disability to engage in club sport. Since inception, KidSport has provided vouchers to over 86,000 unique sport playing recipients. Alongside the implementation of an updated KidSport policy and procedures, DLGSC has also collaborated with the Pilbara and Kimberley communities to deliver the CONNECT Kids pilot program. This pilot program is assisting kids through the support of local community groups, to connect with club sport opportunities in these regions.

## Local government reform activities, including deregulation and legislative changes, by your jurisdiction during each of the two reporting periods

Western Australia is undertaking a review of the *Local Government Act 1995* (the WA Act) which, in part, is aiming to address local government sustainability and provide legislation that enables local governments to provide services efficiently and in a method that is appropriate for them.

The *Local Government Amendment (Suspension and Dismissal) Act*, which amended the WA Act came into effect from 20 November 2018. These changes protect the public interest and the system of local government by facilitating a timely intervention by the Minister when a local government is unable to carry out its functions. This legislative reform provides the Minister for Local Government with additional powers enabling tailored assistance to be given to a council member or a council. Specifically, the Minister has the power to suspend and/or order an individual council member to undertake remedial action when the Minister is satisfied that it is inappropriate for the council member to continue to act as a member of council without intervention.

The *Local Government Legislation Amendment Act 2019* introduced a number of priority reforms. This Act introduced universal training for elected members, including candidate induction, essentials training for newly elected councillors and ongoing professional development. It also introduced a new gifts framework, best practice standards for CEO recruitment, performance review and early termination, a new code of conduct and greater transparency with a wide range of information being required to be published on local government websites.

## Stop puppy farming

An election commitment was made in 2017 to introduce legislation to stop puppy farming in Western Australia. The commitment included the introduction of a centralised registration system, mandatory sterilisation for dogs, transitioning pet shops to adoption centres and mandatory dog breeding standards. Consultation on the four pillars of the election commitment was sought between 3 May 2018 and 3 August 2018. During consultation, 4,754 submissions were received. This feedback informed drafting of legislation.



## Report from the South Australian Government and the Local Government Association of South Australia (LGASA)

The methodology used by the Local Government Grants Commission for distributing funding under the Financial Assistance Grant program to local government for 2018–19.

### 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 overriding principle is one of Horizontal Fiscal Equalisation, which is constrained by a requirement that each local governing body must receive a minimum entitlement per head of population as prescribed in the Commonwealth legislation.

The South Australian Local Government Grants Commission uses a direct assessment approach to the calculations. This involves the separate estimation of a component revenue grant and a component expenditure grant for each council, which are aggregated to determine each council's overall equalisation need.

Available funds are distributed in accordance with the relativities established through this process and adjustments are made as necessary to ensure the per capita minimum entitlement is met for each council. For local governing bodies outside the incorporated areas (the Outback Communities Authority and five Aboriginal Communities) allocations are made on a per capita basis.

A standard formula is used as a basis for both the revenue and expenditure component grants.

### Formulae

#### General financial assistance

The formula for the calculation of the raw revenue grants can be expressed as:

$$G = P_C \times S \times \left[ \left( \frac{U_S}{P_S} \times RRI_S \right) - \left( \frac{U_C}{P_C} \times RRI_C \right) \right]$$

Similarly the formula for the calculation of the raw expenditure grants can be expressed as:

$$G = P_C \times S \times \left[ \left( \frac{U_C}{P_C} \times CRI_C \right) - \left( \frac{U_S}{P_S} \times CRI_S \right) \right]$$

Subscripts of s or c are used to describe whether it applies to the state or a particular council.

G = council's calculated relative need assessment

P = population

U = unit of measure. Some units of measure are multiplied by a weight.

S = standard, be it cost or revenue =  $\frac{\text{expenditure or income}}{U}$

RRI = Revenue Relativity Index. CRI = Cost Relativity Index (also known as a disability factor). They are centred around 1.00, i.e. RRI or CRI 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 (from the Australian Bureau of Statistics). Where no revenue relativity index exists the  $RRI_c = 1.0$ . Currently in all expenditure calculations with the exception of roads and stormwater maintenance, there are no disability factors applied and consequently,  $CRI_c = 1.0$ .

The raw grants, calculated for all functions using the above formulae, both on the revenue and expenditure sides, are then totalled to give each council's total raw grant. Any council whose raw calculation per head is less than the per capita grant, (\$20.67 for 2018–19), then has the per capita grant applied. The remaining balance of the allocated grant is then apportioned to the remaining councils based on their calculated proportion of the raw grant. Commission determined limits are then applied to minimise the impact on council's budgetary processes.

In the calculation of the 2018–19 grants, the Commission constrained changes to councils' grants to between -2 and +14 per cent. No councils received increases or decreases in grants outside the constraints. An iterative process is then undertaken until the full allocation is determined.

### Component revenue grants

Component revenue grants compensate or penalise councils according to whether their capacity to raise revenue from rates is greater or less 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 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
- 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 calculations for residential and rural land use categories.

## Subsidies

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

### Component expenditure grants

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

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

A main driver or **unit of measure** is identified for each function. This is divided into the net 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 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 expenditure grant for each council. In the case of roads, CRIs 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.

Table 36 South Australia's expenditure functions included in the methodology

Expenditure Function	Standard Cost	Units of Measure
Waste Management	Reported expenditures <sup>5</sup>	Number of residential properties, rural and commercial (shop) properties
Aged Care Services	Reported expenditures <sup>5</sup>	Population aged 65+ per ABS Census and estimated resident population
Services to Families and Children	Reported expenditures <sup>5</sup>	Population aged 0-14 years per ABS Census and estimated resident population
Health Inspection	Reported expenditures <sup>5</sup>	Establishments to inspect
Libraries	Reported expenditures <sup>5</sup>	Estimated Resident Population
Sport, Recreation and Culture	Reported expenditures <sup>5</sup>	Population aged 5-64 years per ABS Census and estimated resident population
Sealed Roads—Built-Up <sup>6</sup>	Reported expenditures <sup>5</sup>	Kilometres of built-up sealed road as reported in GIR
Sealed Roads—Non-built-up <sup>6</sup>	Reported expenditures <sup>5</sup>	Kilometres of non-built-up sealed road as reported in GIR
Sealed Roads—Footpaths etc	Reported expenditures <sup>5</sup>	Kilometres of built-up sealed road as reported in GIR
Unsealed Roads—Built-up <sup>6</sup>	Reported expenditures <sup>5</sup>	Kilometres of built-up unsealed road as reported in GIR
Unsealed Roads—Non-built-up <sup>6</sup>	Reported expenditures <sup>5</sup>	Kilometres of non-built-up unsealed road as reported in GIR
Unformed Roads <sup>6</sup>	Reported expenditures <sup>5</sup>	Kilometres of unformed road as reported in GIR
Stormwater Drainage Maintenance <sup>7,8</sup>	Reported expenditures <sup>5</sup>	Number of urban properties <sup>9</sup>
Community Support	Reported expenditures <sup>5</sup>	Three-year average population * SEIFA Advantage/Disadvantage CRI
Jetties and Wharves	Reported expenditures <sup>5</sup>	Number of Jetties and Wharves
Public Order and Safety	Reported expenditures <sup>5</sup>	Total number of properties
Planning and Building Control	Reported expenditures <sup>5</sup>	Number of new developments and additions
Bridges	Reported expenditures <sup>5</sup>	Number of bridges
Environment and Coastal Protection	Reported expenditures <sup>5</sup>	Estimated Resident Population
Other Needs Assessments	Set at 1.00.	Based on Commission determined relative expenditure needs in a number of areas <sup>10</sup>

5 Council's net expenditure reported in the Commissions' Supplementary returns.

6 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.

7 Includes both construction and maintenance activities.

8 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.

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

10 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 published in the South Australian Local Government Directory; South Australian Local Government Association)
- Additional recognition of needs of councils with respect to Aboriginal people—identified by the proportion of the population identified as Aboriginal or Torres Strait Islander
- Unemployment—identified by the proportion of the population unemployed.

This final factor Other Needs Assessment (also known as Function 50) originates from awareness by the Commission that there are many non-quantifiable factors, which may influence a council's expenditure, and that it is not always possible to determine objectively the extent to which a council's expenditure is affected by these factors.

The Commission is aware that there are many factors, which may influence a council's expenditure and that it is not always possible to determine objectively the extent to which a council's expenditure is affected by inherent or special 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.*

**Table 37** South Australia's calculated standards by function

Total population = 1,723,548

Function	Standard (\$)	Unit of measure per capita	Total units of measure	Unit of measure
<b>Expenditure functions</b>				
Waste management	166.92	0.47801	814,184	Number of residential, rural and commercial (shop) properties
Aged care services	151.72	0.17713	301,703	Population aged more than 65
Services to families and children	73.12	0.17761	302,525	Population aged 0 to 14
Health inspection	393.88	0.01265	21,545	Establishments to inspect
Libraries	63.98	1.00829	1,717,412	Estimated resident population
Sport, recreation and culture	276.53	0.76270	1,299,096	Population aged 5 to 49
Sealed roads—built-up	12,691.97	0.00639	10,879	Kilometres of sealed built-up
Sealed roads—non-built-up	12,691.97	0.00460	7,843	Kilometres of sealed non-built-up
Sealed roads—footpaths etc	17,454.89	0.00639	10,879	Kilometres of sealed built-up
Unsealed roads—built-up	1,847.71	0.00041	694	Kilometres of formed and surfaced, and natural surface-formed built-up road
Unsealed roads—non-built-up	1,847.71	0.02761	47,028	Kilometres of formed and surfaced, and natural surface-formed non-built-up road
Roads—unformed	218.73	0.00500	8,517	Kilometres of natural surfaced unformed road
Stormwater drainage—maintenance	91.01	0.46213	787,137	Number of urban, industrial and commercial properties including exempt
Community support	51.79	0.99972	1,702,817	Three year average population modified by the Socio-Economic Indexes for Areas Advantage Disadvantage Cost Relativity Index

### South Australia's calculated standards by function (continued)

Function	Standard (\$)	Unit of measure per capita	Total units of measure	Unit of measure
Jetties and wharves	24,213.58	0.00005	78	Number of jetties and wharves
Public order and safety	31.31	0.55097	938,464	Total number of properties
Planning and building control	1,941.78	0.02570	43,771	Number of new developments and additions
Bridges	11,222.85	0.00048	825	Number of bridges
Environment and Coastal Protection	22.06	1.00829	1,717,412	Estimated Resident Population
Other special needs	1.00	18.99489	32,353,800	Total of dollars attributed
<b>Revenue functions</b>				
Rates—residential	0.0037	158,815	270,211,697,243	Valuation of residential
– commercial	0.0067	21,244	36,184,871,714	Valuation of commercial
– industrial	0.0075	3,505	5,969,331,501	Valuation of industrial
– rural	0.0036	20,999	35,227,338,972	Valuation of rural
– other	0.0045	6,633	11,298,386,343	Valuation of other
Subsidies	1.00	30.01371	51,122,037	The total of the subsidies

### Calculated standards by function

The Commission uses the above table to enable it to calculate a council's raw calculation for each of the given functions. To do this we calculate each individual council's unit of measure per capita, compare it with the similar figure from the table and then multiply the difference by the standard from the table and its own population. If CRIs are applicable, then they must be included as a multiplier against the council's unit of measure per capita.

It must be stressed that this process determines whether a single council has a greater than average capacity to provide services (and is therefore a per capita minimum council) or a less than average capacity. For councils with a less than average capacity, the raw calculation determines the 'share' of the available pool of funding to which the council is entitled, subject to the application of final constraints.

### 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 calculation figure.

Where the raw calculation per head of population for a council is less than the per capita minimum established as set out in the Act, (\$20.67 for 2018–19), the calculation is adjusted to bring it up to the per capita minimum entitlement. The balance of the allocated amount, less the 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 calculation. This process provides what the Commission call its 'per capita applied' grant.

Commission determined limits, known as constraints or caps and collars, may then be applied to per capita grants to minimise the impact on council's budgetary processes or for the Commission to manage changes in grants (up or down) as a result of methodology changes or other external impacts on the pool of available funding. In the calculation of the 2018–19 grants, constrained changes to councils to between minus two and positive 14 per cent. An iterative process is then undertaken until the final 'estimated grant' is determined.

### Identified local road grant

In South Australia, the identified local road grants pool is divided into formula grants (85 per cent) and special local road grants (15 per cent). 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 road length and population. In the non-metropolitan area, allocations are made on an equal weighting of road length, population and the area of each council.

Distribution of the special local road grants are based on recommendations from the Local Government Transport Advisory Panel. The Panel is responsible for assessing submissions from the metropolitan local government group and regional associations on local road projects of regional significance.

### Outback Communities Authority

The Outback Communities Authority (the Authority) was established in July 2010 under legislation of the Parliament of South Australia and is prescribed as a local governing body for the purposes of the Grants Commission's recommendations for distribution of Financial Assistance Grants.

It has a broad responsibility for management and local governance of the unincorporated areas of South Australia. The Authority has a particular emphasis on providing assistance in the provision of local government type services normally undertaken by local councils elsewhere in the State.

Due to the lack of comparable data, the Commission is not able to calculate the grant to the Authority in the same manner as grants to other local governing bodies. Rather, a per capita grant has been established. The 2018–19 per capita grant was \$510.33.

### Aboriginal communities

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

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

Again due to the unavailability of data, grants for these communities are not calculated in the same manner as grants to other local governing bodies. Initially, the Commission utilised the services of a consultant, Alan Morton, of Morton Consulting Services, who completed a study on the expenditure needs of the communities and their revenue raising capacities.

Comparisons were made with communities in other states and per capita grants were established.

Grants have gradually been increased in line with the increase in the general purpose pool of funding for South Australia since the initial study. For the 2018–19 financial year, the per capita grant varied from \$200.85 for the Gerard Community Council to \$1,600.51 for the Maralinga Tjarutja Community.

## Changes to the methodology for distributing funding to local government under the Financial Assistance Grant program for 2018–19 from that used in 2017–18.

Following a range of changes to the Commission's Methodology for 2017–18 and the resumption of indexation of the Financial Assistance Grants for 2017–18, the Commission did not make any changes to the methodology for distribution funding to local governing authorities for 2018–19.

The Commission instead focused its efforts on the movement of grants via the application of constraints to the grant recommendations for 2018–19, in order to address changes in per capita applied grants to councils that had occurred during the previous three years when indexation of the Financial Assistance Grants had been frozen.

The tight constraints on changes in grants during the indexation pause saw per capita applied grants for many councils trending away from their estimated grants for previous years and the Commission implemented a range of constraints between negative two percent and positive 14 percent to address some of these trends.

## Developments in the use of long-term financial and asset management plans by local government.

Each of South Australia's 68 local governments is required, under section 122 of the *Local Government Act 1999* (SA), to develop and adopt a long-term financial plan and an infrastructure and asset management plan, both covering a period of at least 10 years.

The Local Government Association of South Australia (LGASA) continued to provide advice and assistance to the sector in 2018–19 through resources that were developed and distributed during its previous Financial Sustainability Program (FSP) (2005–17).

In addition, during 2018–19, a number of small regional councils received a subsidy via the Building Capacity in Small Regional Councils program to enable Council Members and staff to attend relevant training courses to improve their core financial and asset management skills.

## Actions to develop and implement comparative performance measures between local governing bodies

Comparisons between councils on a wide range of data are facilitated by the annual publication by the SA Local Government Grants Commission of annual 'database reports' dating back to 1995–96. These reports are publicly available via: <https://www.agd.sa.gov.au/local-government/local-government-grants-commission>.



## Financial indicators

The Local Government (Financial Management) Regulations 2011 require councils to use three specific financial indicators in their financial planning and reporting/operating surplus ratio, net financial liabilities ratio and asset renewal funding ratio. The Office of Local Government published on its website detailed explanatory information about each financial indicator and trend data covering individual councils for 2018–19 in the Financial Indicators Dashboard.

Each year, the LGA assembles an update report providing the latest values, history and comparisons of key financial indicators for the local government sector as a whole. The 2019 update report, covering the period from 1 July 2000 until 30 June 2018, included data for the sector as a whole on the:

- operating surplus (deficit)
- net financial liabilities ratio
- operating surplus ratio.

In addition, the report provided a comparison between categories of councils in respect of 2017–18 actual results for their:

- operating surplus ratio
- net financial liabilities ratio.

The Local Government (Financial Management) Regulations 2011 require councils to use three specific financial indicators in their financial planning and reporting. The Office of Local Government published on its website detailed explanatory information about each financial indicator and trend data covering individual councils for 2017–18 in the Financial Indicators Dashboard.

Reforms undertaken during 2018–19 to improve the efficiency and effectiveness of local government service delivery.

## Local Government Research and Development Scheme

The Local Government Research and Development Scheme continued as a primary source of funding for research in local government. Funded through tax-equivalent payments by the Local Government Finance Authority, and royalties on extractive minerals, it was overseen by an Advisory Committee comprising three members of the LGA Board, a metropolitan CEO, a country CEO, a representative from local government trade unions, a representative from South Australian universities, the Office of Local Government and the LGA Chief Executive.

From its inception in 1997 until 30 June 2019, the Scheme had approved over 730 projects, with approximately \$30 million in approved funding. This has attracted significant matching funds and in-kind support from other sources.

Projects approved for funding during 2018–19 were:

- 2018.53      Public Health 'general duty' evaluation
- 2018.54      Efficiencies and service delivery in LG caravan parks.
- 2018.55      Coordination for Strategic Coastal Management
- 2018.57      Digital Maturity of Regional Local Government

- 2018.59 Guide for Leasing or Licencing Sports and Community Facilities
- 2018.62 Business Intelligence Benchmarking—Phase 1
- 2018.64 Resilient Hills and Coasts Community Energy Program
- 2018.68 Collective Impact—opportunities for innovation and reform
- 2018.69 Digital spotlight on recycling and waste reduction
- 2018.72 Leveraging Sister City relationships into economic development
- 2019.01 Supporting Local Government to implement the *Planning, Development and Infrastructure Act 2016*
- 2019.02 Development of Disability Inclusion Community of Practice (and support development of DIAPs)
- 2019.03 Costs of providing recycling services
- 2019.04 Hardship Policy Guidelines
- 2019.05 Delegations Review
- 2019.06 Local Heritage Listing Policy and Procedures
- 2019.07 Research into the Value of Libraries
- 2019.08 Partnership Efficiency and Cost Pressure Research
- 2019.09 Local Government Population Carrying Capacity Project Scope
- 2019.10 Temporary and Special Events Guide with Red Tape Reform.
- 2019.12 Local Government Population Carrying Capacity Project Scope
- 2019.13 Making it easier to run temporary events
- 2019.14 i-Responda app—Council Resource Update
- 2019.15 i-VISS developments.

### *Guidelines and model policies*

The LGA continued to provide a range of material, to assist councils to meet their governance obligations. These materials include model policies and procedures, guidelines, information papers and Codes of Practice.

Those published, reviewed or updated in 2018–19 included:

- Public Interest Disclosure Model Policy (May 2019)
- Public Interest Disclosure Procedure (May 2019)
- *Public Interest Disclosure Act—Frequently Asked Questions* (May 2019)
- Employee Conduct Model Policy (May 2019)
- Register of Overseas and Interstate Travel for Council Employees—Template (July 2018)
- Register of Overseas and Interstate Travel for Council Members—Template (July 2018)
- CEO Checklist (1st council meeting after periodic elections) (Oct 2018)
- Committee and Corporate Structures Available to Councils—Information Paper (July 2018)
- Code of Conduct Guidelines for Employees (Gifts and Benefits) (May 2019)
- Council Members' Guide 2018 (Aug 2018)
- Election Signs—General Approval Guidelines (May 2019).

## Initiatives undertaken and services provided by local governments to Aboriginal and Torres Strait Islander communities

During 2018–19, the LGA worked with Reconciliation SA and the Electoral Commission of South Australia to share information about and promote participation in the 2018 council elections to remote communities. This included LGA staff being present on the Reconciliation SA booth at the NAIDOC South Australia Family Fun Day at Tarntanyangga (Victoria Square) during NAIDOC Week.

In April 2015, the State Government secured \$15 million from the Commonwealth to provide municipal services to Aboriginal communities outside of the APY lands.

Over 2017–18, \$2.9 million (ex GST) was provided to deliver municipal services including waste management, dog control and environmental health, road maintenance and water provision.

Of the 17 service providers funded, four are local councils or a similar body, including:

- Berri Barmera Council for services to the Gerard Aboriginal community
- District Council of Yorke Peninsula for services to the Point Pearce Aboriginal community
- District Council of Coober Pedy for services to Umoona Aboriginal community
- The Outback Communities Authority for services to the Dunjiba Aboriginal community.

This funding continues to be provided to communities over 2018–19 to support these vital services.

## Any local government reform activities including deregulation and legislative changes by your jurisdiction during the reporting period

### Council boundary changes

On 22 August 2017, the *Local Government (Boundary Adjustment) Amendment Act 2017* (the Amendment Act) was assented to by the Governor of South Australia. The Amendment Act commenced on 1 January 2019 and significantly reformed the processes within the *Local Government Act 1999* (the SA Act) that govern changes to council boundaries.

The new system establishes a process that deals with minor boundary changes more efficiently, and enables greater open discussion and in-depth analysis of more significant structural reform opportunities.

Under the new system the Boundaries Commission is established as the independent body that assesses and investigates boundary change proposals. The Commission has released nine guidelines on the Office of Local Government website (<https://www.agd.sa.gov.au/local-government/office-local-government/publications-local-councils>) to assist in the preparation of proposals.

### Local government reform

The State Government commenced a wide-ranging review of the SA Act and related legislation in 2018–19. The review is focusing on the areas of:

- stronger council member capacity and better conduct
- lower costs and enhanced financial accountability
- efficient and transparent local government representation
- simpler regulation.

The LGA has worked collaboratively with the Government and councils on this program, and was represented on the Minister's Reform Reference Group by the LGA President, and by LGA staff on the four working groups established by the Office of Local Government.

### *Planning Development and Infrastructure Act Implementation*

During 2018–19, the LGA worked with the planning department to provide advice and support to councils on the transition to the State's new planning system while advocating for a stronger role for councils and communities in planning policy and assessment decisions that impact their local areas.

### *Disability Inclusion Act 2018*

The LGA provided support to councils in the preparation of Disability Action and Inclusion Plans (DAIPs) that are required under the new *Disability Inclusion Act 2018*. Funding was also secured for the Disability Inclusion: Practice and Plans project which is slated for implementation in 2019–20.

### *South Australian Productivity Commission Inquiry into Local Government Costs*

The South Australian Productivity Commission (the Productivity Commission) announced an Inquiry into Local Government Costs and Efficiency in May 2019, and the LGA was represented by the CEO on the Inquiry's Reference Group. It is anticipated the Productivity Commission's final report will be delivered in 2019–20.

## Report from the Government of Tasmania

### The methodology used for distributing funding under the Financial Assistance Grant program to local government for 2018–19 by the Tasmanian State Grants Commission

In arriving at its distribution recommendations, the State Grants Commission takes into account the requirements of the National Principles issued under the *Local Government (Financial Assistance) Act 1995 (Cth)*, namely, Horizontal Equalisation; Effort Neutrality; Minimum Grant; Other Grant Support; Aboriginal People and Torres Strait Islanders; Council Amalgamation for the base grant allocations; and Asset Preservation for the road grant allocations.

For the following explanation, the general purpose grant portion of the Financial Assistance (FA) Grant funding is referred to as the base grant, and the identified local road funding is referred to as the road grant.

#### Methodology used for calculating base grant allocations

The Base grant is distributed using a two pool approach. Firstly, 30 per cent of the Base grant is allocated to councils based on their share of the State's total population (this is referred to as the per capita grant), and secondly, the remaining 70 per cent of the base grant (the relative needs pool) is allocated on a relative needs or equalisation basis. This is seen as the simplest and most transparent means of distributing the Base grant according to relative need, Horizontal Equalisation (National Principle 1) and the Minimum Grant National Principle (National Principle 3).

Each year, the Commission uses a balanced budget equalisation model to calculate the distribution of the relative needs pool. Each council's relative needs grant is determined by the difference between the Commission's assessment of each council's expenditure requirement necessary to provide services to a common standard with all other councils, and each council's capacity to raise revenue to fund the delivery of those services, as calculated by the Commission. The difference between the Commission's assessment of each council's revenue capacity and expenditure requirement indicates each council's relative need for additional support, and thus a share of the relative needs pool.

Councils that are assessed as having a standardised surplus (i.e. where their assessed revenue capacity is greater than their assessed expenditure requirement) are regarded as having sufficient capability to function, by reasonable effort, at a standard not lower than the average of other Tasmanian councils. As such, these councils do not receive a share of the relative needs pool. These councils, referred to as 'minimum grant councils', only receive their population share of the base grant.

The relative needs pool is allocated amongst councils assessed as having a standardised deficit (i.e. where their assessed expenditure requirement is greater than their assessed revenue capacity). An assessed deficit indicates that the council does not have sufficient capability to function, by reasonable effort, at a standard not lower than the average standard of other Tasmanian councils, and thus requires additional support. The relative needs pool is allocated amongst the 'Relative Needs Councils' in proportion to their respective standardised deficits.

The standardised surplus/deficit calculation is:

$$\text{Revenue Capacity} - \text{Expenditure Requirement} = \text{Assessed Surplus/Assessed Deficit}$$

Revenue Capacity is calculated as the three-year average of

- the revenue a council would raise by applying the state-wide average rate to the adjusted value of all its properties subject to rates and charges (standardised revenue) plus
- the council's per capita grant allocation plus
- Other Financial Support (OFS) receipts that meet the criteria for inclusion, in accordance with the requirement to apply the Other Grant Support (National Principle 4).

Expenditure Requirement is calculated as follows:

- a three-year average of the expenditure required to provide a common range of services (standardised expenditure) plus
- any additional allowances provided to councils for either doctors' practices or airports plus
- the Budget Result Term (BRT), which is a per capita allocation of the difference between all state-wide sources of revenue, including the current year's grant pool, and all state-wide expenditure requirements. The inclusion of the BRT enables the assessment of every councils' relative need using a balanced budget approach at a State level.

Standardised Expenditure is calculated for each functional category<sup>11</sup>, with the exception of roads, as follows:

- calculate each council's actual expenditure, net of any operational OFS receipts that meet the criteria for recognition as OFS by Deduction, in accordance with the requirement to apply the Other Grant Support (National Principle 4)
- sum the net council expenditure to determine the total state-wide expenditure (total actual expenditure)
- redistribute the total state-wide expenditure between all councils on a per capita basis (standard expenditure) and then
- apply cost adjustors (refer to next paragraph) to each council's standard expenditure to reflect inherent cost advantages/disadvantages faced by individual councils in providing services.

The SGC currently uses eleven cost adjustors in its base grant model as follows: absentee population; scale (admin); climate; scale (other); dispersion; tourism; isolation; unemployment; population decline; worker influx and regional responsibility.

The Commission has formally investigated and considered the issue of how to recognise the needs of Aboriginal peoples and Torres Strait Islanders within council boundaries in its base grant assessment process. Based on both the Index of Relative Indigenous Socioeconomic Outcomes and advice provided by those councils with the highest proportion of their populations recognising as having Indigenous origin, the Commission has formally determined that no additional adjustments are needed, within Tasmania's base grant model methodologies, in order to account for the different needs of Aboriginal peoples and Torres Strait Islanders across municipalities in Tasmania.

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11 The Commission's base grant equalisation model assesses council expenditure using the following functional categories: General Administration; Health, Housing and Welfare; Law, Order and Public Safety; Planning and Community Amenities; Waste Management and the Environment; Recreation and Culture; Other; and Roads.

Standardised Road expenditure for the base grant equalisation model is calculated as follows:

- calculate each council's actual expenditure, net of any operational OFS receipts that meet the criteria for recognition as OFS by Deduction, in accordance with the requirement to apply the Other Grant Support (National Principle 4)
- sum the net council expenditure to determine the total state-wide expenditure (total actual expenditure)
- redistribute the total state-wide road expenditure based on each council's relative share of the distribution of the road grant as calculated by the Road Preservation Model (RPM). An explanation of the RPM methodology is explained in the following section.

### Methodology used for calculating road grant allocations

The RPM is used by the Commission to distribute the road grant amongst councils. The RPM assesses each council's share of the annualised cost for the whole of life preservation cost of council road, bridge and culvert assets in the State.

The RPM uses three standard profiles, based on typical Tasmanian road characteristics, to categorise roads in Tasmania, as well as average costs to construct and maintain these roads over their typical lifetime. This is used to calculate the State average cost per kilometre, per annum, for councils to maintain their road networks. The three road types used in the assessment are Urban Sealed, Rural Sealed and Unsealed Roads. Council bridge and culvert asset preservation requirements are accounted for through the inclusion of four bridge types and two culvert types in the asset preservation cost assessment.

Cost adjusters and allowances are applied within the RPM to account for relative cost advantages or disadvantages faced by councils in maintaining their roads. The road cost adjusters are rainfall, terrain, traffic and remoteness. An urbanisation allowance is also applied to eligible road lengths in recognised urban areas. The RPM also includes an allowance to recognise additional costs in respect of the road network on Bruny Island. The Commission does not apply any cost adjusters to its standard bridge or culvert asset preservation costs.

The RPM calculates an assessed annualised cost for each council to preserve its road network. The road grant is then distributed to councils based on their share of the total state-wide assessed annual asset preservation costs.

### Grant stability

The Commission is aware of councils' preference for grant stability.

In finalising the base grant allocations each year, the Commission applies a 15 per cent increase cap, and a 10 per cent decrease floor. In determining final base grant allocations for 2018–19, the 15 per cent cap did not affect any councils. The 10 per cent floor benefited one council.

Caps and floors are not used in the RPM model.

### Triennium reviews

The Commission monitors council practices to ensure that its methods for distributing both the base grant and road grant are contemporary and equitable. The Commission also monitors developments in local council policies, with a view to ensuring that the Commission's modelling reflects standard council policies. The annual hearings and visits process conducted by the Commission allows the Commission to monitor council practices and consult on proposed changes to its distribution methodology.

The Commission implements data updates and minor revisions to its methodology each year. However, the Commission also operates a Triennial Review Policy whereby major methodological changes are incorporated into its assessments every three years. This policy is designed to balance the conflict between grant stability and the desirability of updating the Commission’s modelling to best reflect horizontal equalisation and developments in council practices.

Data sources

The Commission’s models are primarily data driven, which means that significant changes in data can influence calculated grant shares. The Commission takes the accuracy and consistency of data seriously and actively seeks to increase the integrity of data used within its assessments. The Commission uses data from many sources to inform its models and decisions, including data from the Australian Bureau of Statistics, the Tasmanian Valuer-General, Tourism Research Australia, Bureau of Meteorology, various State and Australian Government departments, engineering advice and data sourced from councils, either directly, or through the Local Government Division’s annual Consolidated Data Collection process.

The main datasets sourced by the Commission to inform its models, and where the data is sourced from, are detailed below:

Table 38 Tasmanian data sources

Data used	Sourced from
Population, population dispersion, workforce movements, place of usual residence, dwellings unoccupied to total dwellings as per Census night survey	Australian Bureau of Statistics (Commonwealth)
Assessed annual values data by municipality	Office of the Valuer-General (Department of Primary Industries, Parks, Water and Environment))
Domestic day tripper data	Tourism Research Australia (Commonwealth)
Bed capacity data	Tiger Tours (Tourism Tasmania)
Unemployment, labour force data	Department of Employment (Commonwealth)
Rainfall data	Bureau of Meteorology (Commonwealth)
General practice, airport costing data	Affected councils
Car parking operations	Local Government Division (Department of Premier and Cabinet)’s Consolidated Data Collection Returns (Tasmania)
All council revenue and expenditure, by function/expense category, grant and other financial support receipts received	Local Government Division (Department of Premier and Cabinet)’s Consolidated Data Collection Returns (Tasmania)
Road lengths and type	Local Government Division (Department of Premier and Cabinet)’s Consolidated Data Collection Returns (Tasmania)
Roads to Recovery funding	The then Department of Infrastructure, Transport, Regional Development and Cities (Commonwealth)
Tasmanian Freight Survey—freight task by council road network by road type	Department of State Growth (Tasmania)
Road component construction costs, Road And Bridge Construction Index	Australian Institute of Quantity Surveyors Australian Bureau of Statistics Consultant engineers Councils



## Tasmanian data sources (continued)

Data used	Sourced from
Geographic information system (GIS) rainfall and terrain data broken down by road type and road slope	Department of Primary Industries, Parks, Water and Environment (Tasmania)
Bridge and culvert asset inventory, including location, dimensions and construction type	Local Government Division (Department of Premier and Cabinet)'s Consolidated Data Collection Returns (Tasmania)

For comprehensive details on the Tasmanian State Grants Commission's methodology for determining the distribution of the 2018–19 Financial Assistance Grants (both base grants and road grants), please refer to the *State Grants Commission Financial Assistance Grants Distribution Methodology Paper*, the *State Grants Commission 2017–18 Annual Report, including 2018–19 Financial Assistance Grant Recommendations (Report #42)*, and the *State Grants Commission 2018–19 Financial Assistance Grants Data Tables*, all of which are available on the Publications Page of the State Grants Commission website at <https://www.treasury.tas.gov.au/state-grants-commission/publications>.

## Changes to the methodology for distributing funding to local government under the Financial Assistance Grant program for 2018–19 from that used in 2017–18

2018–19 was the final year of the current Triennium, and therefore the implementation year for all decisions made over the current Triennium that resulted in major methodology changes. As such, the Commission took into account both data updates and methodology changes in determining the distribution of the 2018–19 base grants and road grants.

### 2018–19 methodology (year 3 of the 2018–19 triennium)

In arriving at the 2018–19 distributions, the Commission adopted data updates and the following methodology changes:

#### Base grant model

While no major methodology changes were made to the base grant model at the conclusion of the 2018–19 Triennium, the 2018–19 base grant distributions reflect the Commission's decision to phase out its Tourism Cost Adjustor, over two years. This is being achieved by reducing the strength of the cost adjustor by 50 per cent, which results in the Tourism Cost Adjustor having 50 per cent less redistributive effect than in the prior year.

The data informing the Tourism Cost Adjustor are as follows:

- Bed Capacity statistics frozen as at the June 2015 statistics
- Day Tripper statistics frozen as at 2016 data.

The weighting applied to the two variables informing the Tourism Cost Adjustor remains at 70 per cent Bed Capacity and 30 per cent Day Tripper data.

In early 2016, Tourism Tasmania moved from its then Tiger Tourism database to the National Online Tourism Database system, which has resulted in the loss of data that measured bed capacity rates for Tasmanian accommodation establishments. The bed capacity data had been used by the Commission to inform its Tourism Cost Adjustor. The Commission also had concerns with the statistical significance of day tripper information from Tourism Research

Australia. The Commission decided to freeze the Tourism Cost Adjustor data at that used to inform its 2016–17 Recommendations due to the loss of the data source. The Commission is continuing its search for alternative data source for a new Tourism Cost Adjustor.

At the 2017 Hearings and Visits, anecdotal evidence provided by councils indicated that tourism impacts on councils were more significant on the road network/infrastructure than on council's other operational expenditures. Road network/infrastructure impacts are currently outside the scope of the Commission's Base Grant Tourism Cost Adjustor. While some cost implications from tourism were noted, the Commission was not convinced that it could formulate a suitable replacement cost adjustor to reflect these impacts. Furthermore, no alternative tourism data source was found to be viable. An analysis of tourism and expenditure data found only a weak correlation between the current council expenditure categories that the Tourism Cost Adjustor applies and tourism data.

As a consequence, the Commission decided to start a progressive phasing out of its Tourism Cost Adjustor from its base grant model at the end of the 2018–19 Triennium.

With the inclusion of 2016 Census data to several base grant model cost adjustors, the Commission decided to make minor changes to the weightings of administration centres in its Dispersion Cost Adjustor.

Following a review, the General Practitioner Practice Allowance rate and the number of practices eligible for the allowance were updated. In future, the GP Practice Allowance rate will be indexed in accordance with changes in the National Consumer Price Index.

### **Road preservation model**

No methodology changes were made to the road preservation model at the conclusion of the 2018–19 triennium.

In early 2018 the Commission adopted the Urbanisation Allowance Eligible Road Length Criteria Checklist. Eligible councils reviewed their road lengths based on the objective checklist criteria. This resulted in some changes in recognised road lengths for some city councils, with the first adoption of the updated road lengths being reflected in the 2018–19 road grant distributions.

No other methodology changes were made for determining the 2018–19 road grant distributions.

### **Legislative change**

There were no changes made to the *State Grants Commission Act 1976* during the 2018–19 year.

## **Developments in the use of long-term financial and asset management plans by local government**

There has been continued improvement in the use of long-term financial and asset management plans by Tasmanian councils. In his 29 November 2018 report, the Tasmanian Auditor-General noted that councils have increasingly made use of financial and asset management plans, and that the number of councils without asset management plans decreased from 19 in 2011 to only one in 2017.

## Actions to develop and implement comparative performance measures between local governing bodies

Delivering a better council performance monitoring framework is a joint priority for both the State Government and the local government sector.

Each year, the Auditor-General undertakes a financial analysis of Tasmanian local government sector entities. On 29 November 2018, the Auditor-General tabled his report for the 2017–18 financial year titled *Report of the Auditor-General No. 5 of 2018–19, Auditor-General's Report on the Financial Statements of State entities, Volume 2—Audit of State entities and audited subsidiaries of State entities 2017–18*.

The Auditor-General tracks and compares Tasmanian councils' financial sustainability using the following five key metrics:

- Underlying surplus ratio
- Road asset sustainability ratio
- Road asset renewal funding ratio
- Road asset consumption ratio
- Net financial liabilities ratio.

The Auditor-General also published a set of *Local Government Authorities Summary Tables (2017–18)* which provide a detailed comparative analysis of the local government sector including the areas of demographics, employee costs, comparative income statements and a statement of financial position.

In August 2017, the then Minister for Local Government, the Hon Peter Gutwein MP, issued a direction, pursuant to section 335(1)(b) of the *Local Government Act 1993*, requiring the Director of Local Government to publish local government performance information.

In December 2017, the Local Government Division's Consolidated Data Collection (CDC) was made available as open data on the Land and Information System Tasmania (the LIST). The CDC includes financial, infrastructure, human resources and planning data for all of Tasmania's 29 councils. Consistent with the *Tasmanian Government Open Data Policy*, the publication of the CDC promotes transparency and accountability.

In order to make comparative performance information even more accessible, the Director of Local Government also committed to publishing a series of data 'snapshots', intended to help keep communities informed about council performance overtime, and enable councils to identify areas for improvement.

Four snapshots were published in 2018–19:

- *Net Worth and Working Capital Snapshot* (published in May 2019)—examines the financial performance indicators of net worth, working capital and working capital ratio to show change over time in and between councils within each council classification.
- *Population Trends—Tasmanian Local Government Areas 1993–2017* (published May 2019)—identifies and tracks key population trends, which are useful for informing future strategies to deal with predicted population growth or decline.
- *Rates Snapshot 2017–18* (published June 2019) and *Rates Snapshot 2017–18* (published July 2018)—the rates snapshots compare Tasmanian councils' rates across four indicators: average rate per rateable property; rate revenue to operating revenue; and operating costs per rateable property.

## Reforms undertaken during 2018–19 to improve the efficiency and effectiveness of local government service delivery

Following an agreement at the Premier's Local Government Council, the Local Government Association of Tasmania undertook a body of work which culminated in the release on 21 May 2019 of the *21st Century Councils—Structural Reform Discussion Paper*. The paper reviewed the issues, pressures and challenges facing councils and was used to inform a member-driven engagement process to solicit feedback from Tasmania's 29 councils about potential sectoral reform. *[Further information on this initiative will be provided for the 2019–20 report]*.

The *Greater Hobart Act 2019* and the *Greater Hobart Regulations 2019* came into effect on 25 December 2019. The development of this Act was requested by the four central Hobart Councils after commissioning a report into local government reform and amalgamation options.

The purpose of the *Greater Hobart Act 2019* is to 'create a more liveable, accessible and productive Greater Hobart area'. Through this framework, the Greater Hobart Councils — Clarence, Glenorchy, Hobart and Kingborough—and the Tasmanian Government will work collaboratively to identify principles, priority areas and implement actions that will deliver strategic, efficient and integrated land use planning, and infrastructure outcomes.

The Greater Hobart Committee is made up of elected members from the four Greater Hobart Councils and the Tasmanian Government. The Committee approved its inaugural shared Work Program (which is a legislative deliverable) and has the following agreed priority areas:

- develop an overarching Shared Vision for the Greater Hobart area
- progress an update of the Southern Regional Land Use Strategy
- support the implementation of the Hobart City Deal
- support a collaborative approach to waste management
- ensure commitment to delivery of the Work Program with a consistent delivery mechanism.

In 2018–19, the Sorell Council voted unanimously in favour of amalgamating with the neighbouring Tasman Council. Tasman Council conducted an elector poll in its municipality on the proposed amalgamation and agreed to be bound by the result of that poll. The amalgamation did not proceed when the poll result saw 31 per cent of electors support the amalgamation, with 69 per cent opposing.

## Initiatives undertaken and services provided to Aboriginal and Torres Strait Islander communities

During 2018–19, Tasmanian councils undertook a range of activities to support local Aboriginal communities. These activities included the following initiatives:

- Hobart City Council commencing the development of its Aboriginal Commitment and Action Plan
- Circular Head and Huon Valley Councils commencing the development of Reconciliation Action Plans
- support for cultural events such as the Furneaux Island Festival and various NAIDOC events.

Tasmanian councils also support Aboriginal communities through reduced rents on the use of premises.

## Local government reform activities including deregulation and legislative changes in Tasmania in 2018–19

### *Code of Conduct framework review and amendments*

A state-wide Code of Conduct framework applying to all elected councillors commenced on 13 April 2016. At the request of the local government sector, the Code of Conduct framework was reviewed following its first year in operation, to ensure that it was operating effectively and as intended. The review was jointly conducted by the Government and the local government sector.

During the review, the sector identified 43 recommendations for consideration by the Government. A formal Government response, proposing a reform package of 19 changes, was published in June 2018.

As a result of the review, the Code of Conduct framework was altered in December 2018 through the *Local Government Amendment (Miscellaneous) Act 2018* and the *Local Government (Model Code of Conduct) Amendment Order 2018*, as well as a range of supporting administrative and process changes. Councils were required to adopt the revised Model Code of Conduct by 26 March 2019.

### *Review of Tasmania's local government legislative framework*

On 26 June 2018, the then Minister for Local Government, Hon Peter Gutwein MP announced that the Government would undertake a major review of Tasmania's local government legislation (the Review).

The purpose of the Review is to deliver, in close collaboration with the local government sector, a best practice, 21st century framework that:

- supports greater innovation, flexibility and productivity
- minimises red tape
- enhances accountability and transparency
- increases community engagement, participation and confidence.

The Review is divided into four phases. Phase 1 was completed in 2018–19, and included the following:

- In December 2018, the Government released a Discussion Paper seeking feedback on the principles that should underpin a local government legislative framework. This marked the start of Phase 1 of the Review.
- As part of the consultation process in Phase 1, submissions to the Discussion Paper were called from all interested stakeholders. Submissions were invited via an online survey on the questions outlined in the Discussion Paper, as well as by writing directly to the Project Team. Three hundred and eighty-two submissions were received during this consultation period.
- Consultation sessions were also held around the State throughout February 2019, giving the community and interested stakeholders an opportunity to engage with the Project Team and discuss the Review.

Phase 2 commenced with the release of a Reform Directions Paper in July 2019. Further details on activities undertaken as part of the Review during Phases 2 and 3 will be provided for the 2019–20 National Report.

## Report from the Local Government Association of Tasmania

### Developments in the use of long-term financial and asset management plans

During 2018–19, the Tasmanian local government sector built on the financial and asset management work of previous years. The Local Government Association of Tasmania (LGAT) continued its involvement in developing and delivering several projects designed to better understand and improve strategic asset management practice and roles in long-term financial planning. This was to build on a platform created through the provision of funding from the Commonwealth's Local Government Reform Fund. The project enabled the delivery of legislation, training, guidance, and templates to support improvement in long-term financial and asset management planning across all Tasmanian councils through 2018–19.

The project delivered the following for the Tasmanian local government sector:

- Improved ability of councils to plan and manage assets effectively for their communities.
- Continued development of the Tasmanian Local Government Asset Management Policy, which provided the policy framework for councils to develop their own policies and strategies for sustainable long-term asset management.
- Development of Asset Management Plans for major asset classes in all Tasmanian councils.

An independent evaluation showed how highly successful the project had been. This can be accessed at [https://www.lgat.tas.gov.au/\\_\\_data/assets/pdf\\_file/0017/323144/Final-Evaluation-Report-Financial-and-Asset-Reform-Project.pdf](https://www.lgat.tas.gov.au/__data/assets/pdf_file/0017/323144/Final-Evaluation-Report-Financial-and-Asset-Reform-Project.pdf).

As part of recent legislative changes, councils are required to report on sustainability indicators annually where these are reported on by the Tasmanian Auditor-General. The Auditor-General's 2018–19 annual report on the performance of local government entities showed that there were steady improvements to the aggregate performance and sustainability of councils for the financial year. This result was part of a general trend over time, with increasing numbers of councils with no underlying deficit.

### *Financial and asset management tools and templates*

LGAT continued to maintain an array of guidance material on long-term financial and asset management planning. This included 21 Practice Summaries which covered topics ranging from asset management policy, plan and strategy development, condition assessment, valuation practices, information systems and asset registers.

In addition, LGAT managed the development of a Strategic Asset Management Plan template to support Tasmanian local government asset management, delivered in the 2018–19 financial year. With its implementation, local government utilised the template to simplify the process of developing an Asset Management Strategy and Strategic Asset Management Plan. Councils found that by combining Strategic Asset Management Plans into one document it still met the Tasmanian *Local Government Act* requirements while being an efficient and effective process.

## Actions to develop and implement comparative performance measures between local government bodies

LGAT actively collaborated with the State Government on the collection, analysis, and reporting on a range of local government data and measures. Data captured annually through the consolidated data collection process was interrogated by a working group to determine the mechanisms for improving the use of the data. The first stage in this process saw data compiled and developed into a publicly available resource—this became the Tasmanian LIST (Land Use Information System). With the implementation of this program, work commenced on the development of a state-wide performance measurement program for Tasmanian councils. LGAT partnered with the State Government on the project which aimed to improve local government data accessibility and performance monitoring. Each year, the Auditor-General undertakes a financial analysis of councils and reports on this to Parliament.

## Reforms to improve the efficiency and effectiveness of local government service delivery

In 2018, the State Government announced a major review of Tasmania's Local Government Legislation Framework. The objectives of the review were to create a clear and contemporary legislative framework to facilitate greater innovation, flexibility, and productivity while minimising red tape and enhancing sector accountability and transparency.

The Terms of Reference for the Review were launched at the LGAT 2018 Annual Conference, with the final Terms settled by November 2018. In response to the review, LGAT delivered a submission to the State Government outlining the sector's desired scope and which specific areas of concern there were amongst local government. Further consultation processes between the sector, LGAT, and the State Government concluded with the Reform Directions Paper which outlined 51 reforms. Following further feedback, amendments to these reforms were made.

Following the completion of that stage of work, the State Government progressed towards broader consultation with stakeholders and communities on the proposed reforms.

## Initiatives and services to Aboriginal and Torres Strait Islander communities

Currently, several councils are developing reconciliation action plans in collaboration with Reconciliation Tasmania, including Circular Head Council, Huon Valley Council, and Central Coast Council. Relevant to the 2018–19 year, the City of Hobart began their process for updating their Aboriginal Strategy 2002, which led to the creation of their Aboriginal Commitment and Action Plan January 2020-January 2022<sup>12</sup>.

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<sup>12</sup> See: <https://www.hobartcity.com.au/Community/Events-and-activities/Upcoming-events/Launch-of-the-City-of-Hobart-Aboriginal-Commitment-and-Action-Plan>

## Report from the Northern Territory Government

The methodology used for distributing funding under the Financial Assistance Grant program to local government for 2018–19 by the Northern Territory Grants Commission

The Northern Territory Grants Commission's methodology conforms to the requirement for horizontal equalisation as set out in section 6 (3) of the Australian Government *Local Government (Financial Assistance) Act 1995 (Cth)*.

The Commission in assessing relative need for allocating general purpose funding uses the balanced budget approach to horizontally equalise based on the formula:

$$\text{Assessed expenditure need} - \text{assessed revenue capacity} = \text{assessed equalisation requirement}$$

The methodology calculates standards by applying cost adjustors and average weightings to assess each local government's revenue raising capacity and expenditure need. The assessment is the Commission's measure of each local government's ability to function at the average standard in accordance with the National Principles.

### Population

For the 2008–09 allocations, the Commission resolved to use the latest ABS estimated resident population figures and then adjust the figures to align with the population total advised to Canberra from Northern Territory Treasury. The Northern Territory's funding is based on this total population figure. The same rationale was used for the 2018–19 calculations.

### Revenue raising capacity

As the ownership of the land on which many communities are located is vested in land trusts established pursuant to the *Aboriginal Lands Rights (Northern Territory) Act 1976 (Cth)* it is not for all intents and purposes feasible to use a land valuation system solely as the means for assessing revenue raising capacity.

The collection of actual accurate financial data through the Commission's annual returns enabled a number of revenue categories to be introduced including municipal and regional council rates, domestic waste and interest.

In addition, to accord with the National Principles, other grant support to local governing bodies by way of the Roads to Recovery, library and local roads grants are recognised in the revenue component of the methodology. In the case of recipients of the Roads to Recovery grants 50 per cent of the grant was included. Recipients of library grants and local roads grants have the total amount of the grant included.

The Commission considers that given unique circumstances within the Territory this overall revenue raising capacity approach provides a reasonable indication of a council's revenue raising capacity. For the 2018–19 allocations, financial data in respect of the 2016–17 financial year was used.



## Expenditure needs

The assessment of standard expenditure is based on the Territory average per capita expenditure within the expenditure categories to which cost adjustors reflecting the assessed disadvantage of each local government are applied.

The Commission currently uses the nine expenditure categories in accordance with the Australian Bureau of Statistics Local Government Purpose Classifications. In the 2012–13 grant calculations, an additional expenditure category was created (Regional Centre Recognition) to acknowledge the financial drains on municipal councils caused by urban drift. This expenditure category had been used in all subsequent grant processes with the exception of the 2016–17 and 2017–18 calculations where the Commission quarantined a pool totalling \$200,000 and subsequently allocated \$135,000 and \$65,000 to the Alice Springs and Katherine councils respectively.

When the grants were calculated in 2018–19 using the estimated resident population data from the Australian Bureau of Statistics 2016 census, a number of councils had population decreases. The previous quarantined parameter applied in 2016–17 and 2017–18 to the Katherine and Alice Springs councils was difficult to justify in the 2018–19 calculations when six other councils would have received reductions in funding that were difficult to absorb. To mitigate this, the Commission resolved to redistribute the \$200,000 quarantined amount to buffer funding reductions across all councils as a result of the reported population decreases.

Consequently, the Commission implemented a five per cent loss assist factor into the 2018–19 methodology. The rationale for implementing the loss assist factor was that it was only applied to councils that stood to receive a loss greater than five per cent in grant funding. A total of six councils benefited from the loss assist parameter which totalled \$355,974.

## Cost adjustors

The Commission uses cost adjustors to reflect a local government's demographics, geographical location, its external access and the area over which it is required to provide local government services. All these influence the cost of service delivery. There are three cost adjustors being: location, dispersion and Aboriginality which were used in the 2018–19 methodology.

## Minimum grants

For most local governments, the assessed expenditure needs exceed the assessed revenue capacity, meaning there is an assessed need. In four cases, assessed revenue capacity is greater than assessed expenditure need, meaning that there is no assessed need. However, as the legislation requires that local governments cannot get less than 30 per cent of what they would have been allocated had the funding been distributed solely on the basis of population, four local government councils still receive a grant, or what is referred to as the minimum grant.

Formula

1. Revenue component

All councils:

**Assessed revenue raising capacity = Total identified local government revenue**

Total local government revenue = Assessed NT average revenue plus other grant support plus budget term

Where

Revenue category = Domestic waste, garbage, Municipal rates, Regional and Shire rates, special rates parking, special rates other, fines and interest

Domestic waste = Per capita

Garbage other = Actual

Municipal council rates = Average rate

Regional and Shire rates = Per capita

Interest = Actual

State income by revenue category 2016–17 = Actual state local government gross income

Actual state local government gross income 2016–17 = \$188,339,341

Other grant support = Roads to Recovery grant 2017–18 50 per cent, library grant 2017–18 and roads grant 2017–18

Budget term = Population x per capita amount

**Total local government revenue for 2018–19 allocations = \$316,883,063**

2. Expenditure components

**Total local government expenditure of \$316,883,063 apportioned over each expenditure component:**

- (a) General public services (\$113,027,693)  
Community population/Northern Territory population x general public services expenditure x Aboriginality
- (b) Public order and safety (\$18,892,202)  
Community population/Northern Territory population x public order and safety expenditure x (location + dispersion + Aboriginality)
- (c) Economic affairs (\$45,843,161)  
Community population/Northern Territory population x economic affairs expenditure x (location + dispersion)

## (d) Environmental protection (\$17,333,343)

Community population/Northern Territory population x environmental protection expenditure

## (e) Housing and community amenities (\$42,097,825)

Community population/Northern Territory population x housing and community amenities expenditure x (location + dispersion + Aboriginality)

## (f) Health (\$3,469,502)

Community population/Northern Territory population x health expenditure x (location + dispersion + Aboriginality)

## (g) Recreation, culture and religion (\$51,302,627)

Community population/Northern Territory population x recreation culture and religion expenditure x (location + dispersion)

## (h) Education (\$584,985)

Community population/Northern Territory population x education expenditure x (location + dispersion + Aboriginality)

## (i) Social protection (\$24,331,725)

Community population/Northern Territory population x social protection expenditure x (location + dispersion + Aboriginality)

### 3. Local road grant funding

To determine the local road grant the Commission applies a weighting to each council by road length and surface type. These weightings are:

**Table 39** *Weightings applied to road types to determine local road grants in the Northern Territory*

Road type	Weighting
Sealed	27.0
Gravel	12.0
Cycle path	10.0
Formed	7.0
Unformed	1.0

The general purpose location factor is also applied to recognise relative isolation.

## Changes to the methodology for distributing funding to local governments under the Financial Assistance Grant program for 2018–19 from that used in 2017–18

When the grants were calculated for 2018–19 using the Australian Bureau of Statistic 2016 census, estimated resident population data, it was apparent that a number of councils were effected by population decreases. A total of eight regional councils and the municipal councils of Katherine and Alice Springs all experienced decreases in population.

Previously the methodology had quarantined \$200,000 to assist the Katherine and Alice Springs municipal councils with the financial imposts placed on them due to the high levels on non-resident usage on councils' services and infrastructure.

Using this same methodology, seven councils would have received losses in grant outcomes even though the overall amount of funding available had increased. The Commission was of the belief that some losses particularly those affecting the councils of Tiwi, Katherine, Victoria Daly and Barkly were excessive for the councils to absorb in the year. Therefore, the Commission decided it was difficult to justify the continuance of quarantining funds whilst at the same time provide a buffer on losses for other councils as a result of the reported population decreases.

The Commission therefore abolished the quarantined funds to the Alice Springs and Katherine councils and implemented a loss assist factor into the 2018–19 methodology. The rationale for implementing the loss assist factor was that it was only applied to councils that stood to receive a loss greater than five per cent in grant funding. A total of six councils benefited from the loss assist parameter which totalled \$355,974.

## Developments in the use of long term financial and asset management plans by local governments

In 2018–19, a funding agreement was entered into with the Local Government Association of the Northern Territory (LGANT) and the then Department of Local Government, Housing and Community Development (the Department) to deliver initiatives to support long term financial and asset management plans. During the year, LGANT delivered the following activities through the funding provided by the Department:

- Two two-day Australian Institute of Company Directors courses tailored for the local government sector. Day one of the two-day course covered topics relating to good corporate governance and management of councils and the second day focused on council financial management including reporting, planning, budgeting and the importance of asset management.

During the year, the Department supported an Asset Management Workshop convened by LGANT which covered the following topics:

- Insuring assets—accuracy of description and valuation
- Accounting for Streetlights—financial and reporting considerations
- Asset Procurement—Panel contracts
- Waste Facility asset considerations
- Use of drone technology
- Occupation licences
- Leased property handback arrangements.

## Actions to develop and implement comparative performance measures between local governing bodies.

In 2014–15, a Model Financial Statements Working Group was established comprising of members from LGANT, the Department and council staff to develop an annual financial reporting framework for the Northern Territory's local government sector. In 2015–16, the use of a sector-wide model financial statements was agreed and made available for all local government councils by LGANT.

LGANT circulated the endorsed sector-wide model financial statements to all councils to assist with preparing their annual financial statements. Most councils in the Northern Territory used this template as the basis for reporting their 2018–19 annual financial statements.

## Reforms undertaken during 2019–20 to improve efficiency and effectiveness of local government service delivery

The 'Strategic Local Government Infrastructure Fund' (SIF), established in 2017–18, was available again in 2018–19 and aimed at funding projects designed to lift the liveability and community development outcomes for regional and remote communities.

Funded projects worked towards supporting and/or improving service delivery in communities. The SIF program is an application based grant with projects selected and approved by the minister responsible for local government. Approved projects in 2018–19 included upgrades of waste management facilities; repairs and upgrade of council buildings and other infrastructure; road repairs and the installation of remote community footpaths.

During the year the Department drafted an Elected Member Handbook which provided plain English information on the roles and responsibilities of elected members including meeting procedures, decision making processes and conflict of interest.

## Initiatives undertaken and services provided by local government to Aboriginal and Torres Strait Islanders

In 2014, local authorities were established in 63 remote communities in regional councils across the Northern Territory. A further three local authorities were approved in 2017–18. The primary role of local authorities was to offer community members living in regional and remote communities a stronger local voice and input on service delivery outcomes for their respective communities. One of the functions of local authorities is to determine local projects that reflect the needs and priorities of the local community.

In 2018–19, the Minister for Housing and Community Development approved the establishment of a new local authority at Urapunga. During the year, the Department also rolled out initiatives to support local authorities throughout the Territory by developing a standard PowerPoint presentation on their roles and responsibilities. The presentation was delivered to local authorities during the year.

In 2018–19, grant funding of \$5.472 million was allocated across the nine regional councils to assist with funding priority projects as identified by their respective local authorities. Several projects were approved under this program including upgrade of community amenities, sporting programs and community events.

In 2018–19, grant funding totalling \$7.9 million under the Indigenous Jobs Development Fund was allocated to nine regional councils and one shire council to assist with subsidising 50 per cent of the cost of employing Aboriginal staff within their respective council. The grant provides councils with financial assistance for salaries and approved on-costs for Aboriginal employees delivering local government services. Around 500 positions are supported through this program.

In 2018–19, the Department drafted a Community Development policy to reinforce the Northern Territory Government's Local Decision Making Framework Policy (LDM). The LDM facilitates a new working relationship between Aboriginal communities and government agencies to support self-determination. Northern Territory Government agencies partner with Aboriginal communities to assist the transition of government services and programs

to align with community aspirations, including community control where that is wanted. LDM provides a pathway so that communities can have more control over their own affairs, including service delivery based on a community's aspirations and needs. The Community Development policy provides guiding principles to support, enable and build capacity in communities and government agencies to work together to develop policies and practices for service delivery, including local government.

## Local government reform activities including deregulation and legislative changes

During the year, the Department conducted several consultation sessions on a draft Burial and Cremation Bill, and a proposed new *Local Government Act 2019*.

### *Draft Burial and Cremation Bill*

During the financial year, the Department engaged in the development of and consultation on the draft Burial and Cremation Bill to replace the *Cemeteries Act 1952*.

The draft legislation was developed based on feedback from more than 130 stakeholders including industry groups, government agencies and land councils. Audio information on the draft Bill was also available through the department website in 18 Aboriginal languages.

Key points of the Bill include the recognition of cemeteries on Aboriginal land, as well as the requirement for those responsible for cemetery management to keep burial records. The consultation period on the Bill closed on 31 March 2019.

### *Draft Local Government Bill*

A major focus of the Department during financial year was the development of and consultation on a new *Local Government Act* and *Local Government Regulations* to replace the *Local Government Act 2008* and *Regulations*. The proposed new legislation aims to clarify roles and responsibilities of elected members and streamline local government rules and processes such as members' allowances, code of conduct, eligibility for office and meeting procedures. The Bill will enhance members' understanding of the local government system, as well as financial transparency.

## Report from the Local Government Association of the Northern Territory (LGANT)

### Developments in the use of long—term financial and asset management plans by local government

LGANT convenes the bi-annual Finance Reference Group meetings which are held in-person and via teleconference. The agenda cover a range of topics, considered key to council's understanding and service delivery. One of those topics was asset management plans. As infrastructure in the Northern Territory is reaching its expiry date it has become increasingly important to our members to plan properly for their maintenance and replacement.

The Finance Reference Group meetings are effectively professional development sessions. Treating the meetings in this way promotes continuous learning and enquiry which leads to innovation and change management to be more effective and efficient.

One initiative in particular we have driven is the Governance Essentials for Local Government and Finances course delivered by the Australian Institute of Company Directors. There was a section dealing with asset stewardship and long-term planning and with 34 elected members from 11 councils participating it is deemed very successful.

LGANT produced the 2018–19 local government cost index for use by councils as part of their deliberations in determining appropriate rates and charges for the 2019–20 financial year.

### Actions to develop and implement comparative performance measures between local government

LGANT through facilitation of the five Reference Groups,

- Finance Reference Group
- Governance and Human Resources Reference Group
- Environment, Transport, and Infrastructure Reference Group
- Community Services Reference Group and
- Chief Executive Officers,

has provided a forum for member council officers to share individual learnings and strategies in improvements in council operations and governance.

The Finance Reference Group continued to support the reporting of financial sustainability ratios in the annual financial statements of councils.

### Reforms undertaken to improve the efficiency and effectiveness of local government service delivery

One significant change introduced during 2018–19 was with the Independent Commission Against Corruption (ICAC) commencing operations. LGANT in collaboration with ICAC facilitated forums and information sessions with 14 out of the 17 councils attending in Katherine on 11 April 2019. Councils learnt about the powers and functions of ICAC as well as the obligations councils now have under legislation.

LGANT is required under its constitution to provide industrial relations services to its members. LGANT contracted the Western Australian Local Government Association (WALGA) Workplace Solutions to do much of this work which included amongst other things:

- disciplinary processes
- industrial claims
- terminations/resignations/negotiated exits
- contracts of employment
- other human resource and industrial relations advice
- representing councils in the Fair Work Commission.

Under the agreement WALGA supported the Governance and Human Resources reference group meeting on 6 September 2018 and 12–13 June 2019.

LGANT also, with the support of the Northern Territory Government, conducted two Waste Management Symposia where 108 participants representing 12 councils actively shared outcomes in the development of slitter management plan, waste emergency procedures and operational procedures.

Other topics were:

- community engagement in remote communities (WasteAid Australia consultants)
- single use plastics ban at council events (City of Darwin)
- environmental reforms and their impact on local government (NT EPA)
- hazardous household wastes (Department of Health)
- Remote Landfills Project—the licensing implications for remote landfills and how to apply for an Environmental Licence (NT EPA)
- panel discussion on product stewardship programs (mobile phones, batteries, tyres, e-waste and container deposit schemes).

## Initiatives undertaken and service provided by local government to Aboriginal and Torres Strait Islander communities

Most Aboriginal communities are located within Regional Council (RC) areas. In addition to the services offered by all local governments to communities in the NT, Regional Councils provide a range of additional community services and programs to remote communities. This is enabled either through contractual arrangements with NT and Commonwealth agencies for service provision or community program funding obtained through Commonwealth and NT funding programs.

RC councils have contracts with NT and Commonwealth agencies to provide key services in remote communities. This includes postal services (Australia Post), Centrelink agent services (Commonwealth Department of Human Services), and the upkeep of power, water, and sewerage infrastructure (NT Power and Water Corporation).

In some regional council areas, councils were contracted by the NT Government to deliver services to occupied outstations or homelands. Services include municipal and essential services, housing maintenance services and special purpose infrastructure projects. This includes waste collection, roads maintenance, animal management, fire breaks and environmental activities.



Grant monies from Commonwealth and NT Government funding programs, enable RCs to offer remote communities a range of local community programming, including:

- Aged and Disability Services (e.g. personal care, meals, transport, domestic assistance, and social activities) that allow people to stay in their community
- School Nutrition Programs that not only promote health but school attendance and positive educational outcomes
- Early Learning programs for children
- Community Safety Programs
- Remote youth sports programming
- Youth diversion programming.

The above activities are also important sources of local Aboriginal employment in these regions.

## Report from the Australian Capital Territory Government

### Preamble

The ACT Government administers the Australian Capital Territory (ACT) as a city-state jurisdiction, unique within the Australian Federation. As a result, there is little or no differentiation in ACT Government service provision between 'state-like' and 'local-like' functions. This is demonstrated by the ACT Government's engagement with local government through membership of the Canberra Region Joint Organisation (CRJO) and the Council of Capital City Lord Mayors (CCCLM), as well as engagement with other jurisdictions through the Council of Australian Governments (COAG).

The ACT Government is increasingly focused on enhancing Canberra's role as the regional centre for south east NSW and the relationships that exist across the Canberra Region. The ACT Government works closely with the NSW Government and local NSW governments in the Canberra Region to address matters of common interest. The ACT Government also seeks to engage with major cities in Australia to share solutions and advocate on issues faced by Australia's cities.

### Developments in the use of long-term financial and asset management plans by the ACT Government in 2017–18

In 2018–19, the ACT Government's Infrastructure Planning and Advisory Committee (IPAC) comprising Directors-General and Chief Executive Officers across the ACT Government continued to play key role in providing coordinated advice to the ACT Government on land, transport planning, municipal services and other service infrastructure. The committee also continued to work on a coordinated long-term strategy for Canberra's Infrastructure for government consideration.

### The ACT Government Infrastructure Plan

In 2018–19, the ACT Government's strategic infrastructure objectives were outlined in the *Infrastructure Plan 2011–21*:

- implementing strategic asset management and service planning across government agencies
- exploring strategic opportunities across all agencies to support innovation and quality infrastructure design
- climate change vulnerability assessments for ACT Government infrastructure
- strengthening strategic infrastructure planning
- continuous improvement of the planning and delivery of new infrastructure investment in the Territory.

The ACT Government publishes annual updates to the *Infrastructure Plan* to inform business and the community of the current projects being undertaken through its Capital Works Program, while outlining works the Government is considering for future budget processes.

The ACT released a refreshed *Infrastructure Plan* in October 2019.

## The Capital Framework

During 2018–19, the ACT Government continued to plan, manage and review capital works projects under the *Capital Framework*. The *Capital Framework* seeks to improve business case development, service and asset planning, as well as project definition and scope.

The ACT Government started preparing for a detailed review of the *Capital Framework*, which commenced in December 2019.

## The Partnership Framework

The ACT Government has implemented the *Partnerships Framework*, which established the policy for:

- delivery of major infrastructure projects under models including Design, Construct, Maintain, Operate (DCMO) and Public Private Partnership (PPP)
- evaluation of unsolicited proposals under a structured framework.

The *Partnerships Framework* continues to provide guidance on the procurement of major, complex infrastructure projects, including future PPPs, and the assessment of unsolicited proposals.

## Strategic Asset Management Plans

The ACT Government also supports a Strategic Asset Management (SAM) program, providing financial assistance for agencies to establish SAM Plans for management of the Territory's assets. This program fosters better practice to increase the ACT's economic capacity, reduces future costs, and grows the city in a way that meets the changing needs of the ACT demographic and maintains current infrastructure.

### Transport Canberra and City Services (TCCS) infrastructure assets

During the reporting period, TCCS reassessed the value of selected infrastructure and heritage and community assets in accordance with the ACT Accounting Policy, resulting in an increase in the asset value of \$420.4 million.

The strategic asset management framework (SAMF) enabled TCCS to create and maintain an asset portfolio that efficiently meets the requirements of the directorate and the community.

The SAMF allowed TCCS to sustainably manage assets through 'whole of life' and 'whole of organisation' approaches. Effective identification and management of risks associated with the use of these assets was also enhanced.

The SAMF also enabled the development of policies, strategies and plans to be informed and inform the community of government aspirations, service level requirements and investment decisions.

## ACT Government actions to develop and implement comparative performance measures between local governing bodies in 2018–19

The ACT Government does not currently undertake comparative performance measures with other local governments. However, the ACT Government does participate in the *Productivity Commission's Annual Report on Government Services* (The Report). The purpose of this report is to provide information on the equity, efficiency and effectiveness of Government Services in Australia.

The Report outlines ACT performance relative to other State and Territory jurisdictions on key Government services including: Education, Health, Community Services, Justice Services, Emergency Management and Housing and Homelessness.

## ACT Government reforms undertaken to improve efficiency and effectiveness of service delivery in 2018–19

### Access Canberra

Access Canberra provides a one-stop shop for ACT Government customer and regulatory services that aims to make it easier for community members to interact with the ACT Government. Access Canberra does this by providing an effective service hub through service centres, the contact centre and online services. Under the Access Canberra model, the Government provides over 700 different types of services to the ACT community through, amongst others: registering births, deaths, marriages and changes of name; issuing driver licences; inspecting and registering cars; issuing certificates of occupancy for houses and undertaking electrical, plumbing and gas inspections for new and existing buildings; providing advice on consumer rights and faulty household products; and licensing trades people.

To ensure community protection, Access Canberra as a regulator targets its resources to where the risks of harm, unsafe practices or misconduct are the greatest, thereby strengthening its capacity to act where the community, workers and the environment are most at risk. This regulatory approach utilises an engage, educate and enforce model which builds an understanding of regulatory obligations within the community and encourages compliance with various pieces of legislation.

In 2018–19, Access Canberra:

- recorded more than 860,000 visits through its service centres and contact centre, while the Access Canberra website recorded more than 3.6 million visits
- handled almost 12,000 webchats through the Contact Centre
- managed over 10,500 regulatory and customer service complaints through the Complaints Management Team
- issued 27,134 driver licences following online renewal, which included the ability to accept relevant medical or eye test details online
- received more than 12,200 online applications to dispute or seek withdrawal of parking and traffic camera infringements
- assisted event organisers in obtaining approvals for 217 events of varying scale
- processed more than 57 million online transactions.

In 2018–19, Access Canberra implemented the following reforms to improve the efficiency and effectiveness of service delivery:

1. simplified forms, making them more accessible, and increased the number of digital services available to 385, making it easier and simpler to access information on a range of services including:
  - a. the ability for a customer to view evidence associated with their parking and traffic infringements online. Over 10,000 parking images and over 83,000 traffic camera offence images have been viewed online

- b. an application process for accreditation of Rideshare Vehicle Licences
  - c. launched the 'Business Support Enquiry' form offering customers a pathway solution through the provision of advice and guidance on common approval requirements
  - d. an infringement declaration process allowing a customer to describe circumstances where they were not responsible for an infringement and dispute or transfer liability to another known driver
  - e. a process for replacing a lost Driver Licence, Working with Vulnerable People card and Public Vehicle Driver Authority card
  - f. implemented online birth registration which allows parents to register the birth of their child at a time and place which is convenient for them, rather than having to attend a service centre to register the birth
  - g. accepting infringement payment in instalments, better supporting those customers who are unable to cover costs associated with an infringement in a single payment
2. collaborated with the Transport Canberra and City Services Directorate on the continued development of the Fix My Street service with requests now routed more directly to relevant maintenance teams to ensure reporting is more intuitive for community members
  3. launched the comprehensive and easy to understand Event Coordination Guide. The guide provides useful information such as choosing a venue, booking land, road closures and timeframes for approval
  4. streamlined processes to improve customer satisfaction at the Hume Motor Vehicle Inspection Station (MVIS) by providing two dedicated customer service officers to facilitate a range of vehicle transactions. The Hume MVIS completed approximately 30,000 transactions that would have otherwise required a customer to attend an Access Canberra Service Centre at another location
  5. redeveloped a range of online public registers to make them more accessible and user friendly to access and reference. These registers include plumbing ties, motor vehicle dealers and presentation of licence details for a range of licensed trades
  6. continued to update a disciplinary register which contains information on licensed construction practitioners who have incurred suspensions, cancellations, occupational discipline and disciplinary actions in the last 10 years to allow consumers to be better informed when choosing a licensed trades person
  7. developed new website content and fact sheets to assist associations understand the changes to the Associations Incorporation Act 1991 and the Associations Incorporation Regulation 1991 as a result of the Red Tape Reduction Amendment Bill 2018.

Access Canberra will continue to actively engage with business, community groups and individuals to promote and support community safety while also working to identify areas to reduce red tape to make dealing with the ACT Government easier.

## Education Directorate

The ACT Education Directorate delivers quality public school and early childhood education to shape every child's future and lay the foundation for lifelong development and learning. Through public schooling the ACT Government provides quality education for students from preschool to Year 12. These include early childhood schools, primary schools, preschool to Year 10 schools, high schools, colleges and specialist schools.

## Future of Education Strategy

2018–19 has seen the release of the planning framework for the Directorate—the *Future of Education*—An ACT education strategy for the next ten years.

The *Future of Education Strategy* (the Strategy) was developed through a conversation with over 5,000 people in the ACT community, almost half of them students, and took place over a year and a half. Through the conversation and an analysis of issues by a range of education and community experts, the Strategy recognises our strengths and points to what actions need to be taken.

The Strategy sets the direction for the future of education in the ACT, a journey to be taken in phases over the next ten years. An accompanying implementation plan addresses the first phase outlining clear, tangible actions and commitments that speak to the core themes that were articulated by the ACT community. The implementation plan deals with the education sector at large and directs activity within the government sector. Non-government schools will engage in their own way, particularly through cross-sectoral activity outlined in the plan.

There are four foundations to the Strategy:

- Place students at the centre of their learning.
- Empower teachers, School Leaders and other professionals to meet the learning needs of all students.
- Build strong communities for learning.
- Strengthen systems to focus on equity with quality.

There are four principles for implementing the Strategy:

- Equity—student achievement sets aside economic, social and cultural barriers.
- Student Agency—students make decisions about their learning and how their learning environments operate.
- Access—supports for learning and wellbeing are available and provided to all students.
- Inclusion—diversity is embraced, all students are accommodated and a universal sense of belonging fostered.

## ACT/NSW cross border enrolment arrangements

Under the NSW Education Act 1990, the NSW Government is responsible for providing schooling for NSW resident students.

The ACT Government recognises the value of the NSW-ACT Memorandum of Understanding for Regional Collaboration and integrated service planning for the planning and delivery of education and training services.

The ACT Government continues to engage closely with the NSW Government through established cross-border collaboration to facilitate inter-jurisdictional information sharing and collaboration for:

- school demographics, urban development and schools planning updates including future schools planning where catchments are proximate to the NSW-ACT Border
- student enrolment considerations including transport
- student transfer/data sharing to enhance the efficacy of the Student Data Transfer Note

- aligning services
- child protection and children at risk
- legislative reform
- equal access to education and care including national models for personal care and specialist transport

as well as other issues of national significance including

- the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability
- registration/accreditation and recognition of professional development activities.

### **NSW Pathways Policy for enrolment of NSW residents in ACT public schools**

As part of the current NSW-ACT Memorandum of Understanding for Regional Collaboration and to maintain our commitment to families in the ACT surrounding region and provide greater certainty for cross-border families, the ACT Government has established a NSW Pathway Policy that enables NSW children to apply to enrol at particular ACT public schools.

NSW Pathway Policy ensures access to particular ACT schools for NSW students, as well as demand management through preserving capacity for local ACT students in high demand areas which are experiencing significant population and enrolment growth.

NSW students are now accepted in selected schools in two zones in the ACT, a northern zone centred on Belconnen and a southern zone centred on Tuggeranong. There is no restriction on the number of NSW students that can be accepted in these zones and current enrolments will be honoured for existing students and their siblings.

- Currently the Northside Pathway Zone includes two primary schools, two high schools and a college.
- The NSW Southside Zone includes four corresponding primary schools, three high schools and a college.

Once a student is enrolled on a NSW Pathway, they will be guaranteed a place in that Pathway. This means any NSW student already enrolled under a particular pathway in a previous year will be able to continue on that pathway throughout their schooling.

In limited circumstances only and subject to meeting enrolment criteria, ACT schools that are not designated as NSW Pathway Schools can consider NSW student enrolments.

During 2018–19 the number of NSW children travelling to ACT schools remained roughly stable.

These arrangements are supported through ongoing collaboration to ensure NSW bus services support these students to access their NSW Pathway School.

### **Planning and urban policy**

The ACT Housing Strategy was released in 2018, following extensive community consultation, to provide a roadmap for housing in the ACT for the next decade. In recognition of the unique and complex challenges that exist in the ACT housing market, the strategy puts in place policy interventions to meet the Territory's diverse and changing needs now and into the future. Most importantly, it includes a sustainable supply of housing for households at all income levels.

In 2018–19, the Environment, Planning and Sustainable Development Directorate (EPSDD) implemented a further 15 of the 43 recommendations from the Improving the ACT Building Regulatory System reforms to strengthen the regulation and integrity of the ACT building and construction industry. These reforms set the parameters for high quality design, building and training practices across the ACT, giving certainty to both property owners and industry.

The Managing Buildings Better Reforms commenced in 2018–19, delivering a fairer and easier way to live and work together in mixed-use developments. EPSDD is reviewing and amending unit title legislation, to improve the management of apartments, townhouses and commercial units. The Strata Reform Consultative Group was established in 2018–19, representing community and industry stakeholders.

The Government Agencies (*Land Acquisition Reporting*) Act 2018 commenced on 1 January 2019 to set up a clear and transparent framework for land acquisition by the Government and affiliated agencies. The Act establishes quarterly reporting to the Standing Committee on Public Accounts within the Legislative Assembly.

EPSDD completed a refresh of the previous ACT Planning Strategy 2012 and released the ACT Planning Strategy 2018. The ACT Planning Strategy 2018 is the ACT Government's key strategic document for directing growth and change in the Territory. It sets a vision of Canberra as a sustainable, competitive and equitable city. It considers growth and change in inter-generational terms, with a long-term horizon to 2041. The refresh process was informed by technical background studies and numerous community and stakeholder engagement activities, that built the evidence base for the development of the key strategic directions and actions to promote a compact and efficient city, particularly focusing new development around key centres and along major transport corridors.

The ACT Government is reforming and improving the ACT's planning system. The ACT Planning Review and Reform Project began in March 2019, with the purpose of delivering a planning system that is clear, easy to use and that facilitates the realisation of long-term aspirations for the growth and development of Canberra while maintaining its valued character. The Government wants to make sure that the planning of our city is reflective of the Canberra community and that Canberra is positioned as a destination city that people and companies look toward and choose to live and invest in over and above others.

### Transport Canberra and City Services

The Directorate delivers an attractive cityscape and amenities, an effective road network, an integrated public transport system, and city services, which are necessary to support a growing community as well as attract tourism and business investment to the region. The Directorate is responsible for the planning, building and maintenance of many of the ACT Government's infrastructure assets, such as roads, bridges, cycling and community paths, and the streetlight network. It also plays an important role in managing the city's open space, parks, neighbourhood play areas, sportsgrounds, recreational facilities, local shops and playground equipment. The range of community services delivered by the Directorate includes libraries, waste and recycling services, safer walking and cycling around schools and city amenity.

Capital Linen Service, ACT NoWaste and Yarralumla Nursery are managed by TCCS. The Directorate also has administrative oversight responsibility for the ACT Public Cemeteries Authority, which operates the Woden, Gungahlin and Hall cemeteries.



## City Services

The Better Suburbs initiative was completed, which culminated in the delivery of the community-authored Better Suburbs Statement 2030. The community participated in the ACT's first participatory budgeting exercise, and decided on priorities for \$1.9m in investment in improving play spaces across the city.

Functional changes were implemented on 1 July 2018 that brought transport planning into City Services and recognised the strong functional alignment between transport planning and the City Services functions of capital works planning and urban infrastructure. This change also complemented work that was already underway on Theme 2 (asset lifecycle) of the City Services functional alignment project.

## Transport

A key priority for 2018–19 was the development of a draft ACT transport strategy. On 19 December 2018, the Minister for Transport released the draft Moving Canberra strategy, for public consultation.

The Canberra Strategic Transport Model was recalibrated in 2018–19 to reflect 2016 traffic and demographic conditions, including the 2016 ABS Census results and the Household Travel Survey that was completed in 2017–18. Recalibration of the model is undertaken every five years in line with Census years.

During 2018–19 an ACT-wide wide Park-and-Ride and Bike-and-Ride investigation was completed into the pre-feasibility for new or expanded Park-and-Ride and Bike-and-Ride facilities to support future implementation of the new RAPID bus and light rail networks.

TCCS continued to provide advice and submissions into autonomous vehicles projects for progression of this work to the Transport and Infrastructure Senior Officials' Committee and the Transport Infrastructure Council for endorsement.

## Transport Canberra

An alternative fuel bus trial was conducted with two electric buses over a period of 12 months. The results have been helpful with regard the continued development of a road map to zero emissions.

Market sounding and procurement of zero emission bus alternatives along with progress in delivering a fully operational depot at Woden that will also enable the growth of buses in the fleet to increase frequency in the network and meet growth demand.

Procurement of a new generation ticketing solution that will enable technological improvements and an account-based payment system was progressed.

The Transport Canberra (TC) Journey Planner was launched integrating bus routes, light rail routes, bicycle and walking options to plan a journey for the community.

The Household Travel Survey Dashboard was developed to encourage exploration of the travel survey data.

## Light rail

On 20 April 2019, the City to Gungahlin Light Rail service commenced public passenger operations. It is a twelve kilometre light rail service, comprising thirteen stops, fourteen Light Rail Vehicles (LRV's) and one maintenance depot. The project, delivered under a twenty-year Availability Public Private Partnership (PPP) with Canberra Metro, encompasses the design,

construction, finance, operations and maintenance of the light rail system. It represents the largest single investment by the Territory since self-government. The vision for the City to Gungahlin light rail as set out in the 2014 Project Business Case is to 'boost Canberra's sustainable development by changing and improving transport options, settlement patterns and employment opportunities.' In doing so, the project aimed to address two key problems: the need for better, more sustainable transport options to reduce car dependency and improve transport capacity; and the need for a sustainable urban form.

Crucially, the successes of the project have in large part been thanks to the ACT Government's private sector partner, Canberra Metro. Canberra Metro and the ACT Government worked together in a collaborative, commercially pragmatic manner to deliver the project and ensure both parties are positioned well for the operations and maintenance of the system over the coming decades.

### Active Travel

Delivered the expanded Active Streets for Schools program to another 52 schools.

The Schools Program provided ongoing support to schools throughout 2018–19, continued delivery of the School Crossing Supervisor program and the Active Streets for Schools program including the expansion of number of schools and intersections. Several infrastructure improvements were delivered to support walking and riding to schools, which included new and upgraded footpaths, safer crossings and speed humps near schools.

## Community services

### ACT Housing Strategy

The ACT Housing Strategy (the strategy) was launched in October 2018 alongside the new Homes and Housing website (<https://www.act.gov.au/homes-housing/act-housing-strategy>). The strategy encourages and promotes a housing market that meets the diverse and changing needs of the Canberra community and enables a sustainable supply of housing for all income levels.

The Strategy was developed by the Environment, Planning and Sustainable Development Directorate in partnership with the Community Services Directorate through Housing ACT.

The Strategy identifies five key goals:

1. an equitable, diverse and sustainable supply of housing for the ACT community
2. reducing homelessness
3. strengthening social housing assistance
4. increasing affordable rental housing
5. increasing affordable home ownership.

Under the Strategy, the Community Services Directorate is responsible for delivering Goal 2—reducing homelessness, and Goal 3—strengthening social housing assistance.

The Strategy also sets out an implementation plan with actions over the next ten years to achieve these goals. The ACT Government's progress towards these goals will be monitored, reported, and evaluated regularly. The Community Services Directorate is responsible for reporting against Goals 2 and 3.

## Reducing homelessness

The ACT Government is committed to reducing homelessness and has been working with the specialist homelessness sector to help people quickly and early, to keep problems small, and prevent them from falling into crisis.

To provide further support to our frontline services and address these gaps, the Government allocated \$6.524 million over four years in the 2018–19 Budget to help services intervene early and support people before their situation gets worse.

This funding's aim is to:

- prevent older women from losing their housing
- prevent children from entering into the statutory child protection system by supporting young mothers gain vital education and training and life skills
- support people who have no income because they have uncertain or no immigration status
- keep women and children escaping family and domestic violence from churning through crisis accommodation.

The funding included:

- \$100,000 per annum to Doris Women's Refuge, Beryl Women Inc and Toora Women Inc
- \$80,000 per annum for Karinya House for Mothers and Babies Inc
- \$586,000 over four years for OneLink to extend its operating hours and access brokerage funds, so that appropriate crisis support is provided at the time it's needed.

More than \$1.9 million was allocated over four years to establish a new service to better support asylum seekers and other migrants with uncertain immigration status who are in need of housing assistance. This funding provides medium term accommodation and support to gain community connections, employment, education and training to enable people to sustain accommodation in the longer term, while their immigration status is being resolved.

Over \$1.9<sup>13</sup> million over four years was also allocated to establish support for older women who are experiencing homelessness or at risk of experiencing homelessness.

## Strengthening social housing assistance

In May 2019, the Government announced Growing and Renewing Public Housing 2019–2024, which supports the work of the ACT Housing Strategy and its goal to strengthen social housing assistance by delivering safe and affordable housing to support low income and disadvantaged Canberrans.

The program builds on the success of the Public Housing Renewal Program running from 2015–2019, with an unprecedented program that resulted in 1288 properties being renewed across the ACT.

The new program includes an investment of \$100 million<sup>14</sup> to grow the public housing portfolio by at least 200<sup>15</sup> additional dwellings, providing more homes for households in need, and will rebuild or replace more than 1,000 existing older homes to help improve quality of life for our current and future tenants.

13 This figure was as at the announcement of the program and has been expanded in subsequent years.

14 This figure was as at the announcement of the program and has been expanded in subsequent years.

15 This figure was as at the announcement of the program and has been expanded in subsequent years.

## Energy Efficiency Improvement Scheme

Building on the success of the trial program to improve energy efficiency and lower utility bills for public housing tenants, a further \$5.713m was allocated over three years in the 2018–19 Budget. This funding delivered the next stage of the program to improve energy efficiency to more than 2,000 public housing properties.

The expanded program targeted inefficient gas heating as well as electric space heaters. Public housing tenants were also able to access education programs and energy audits through the Energy Efficiency Improvement Scheme and the ACTsmart Low Income Program.

The scheme assists tenants to reduce their power bills, use energy more efficiently and cut greenhouse gas emissions.

## Children's Services Program

The Children's Services Program (CSP) assists vulnerable children and families within our community to access short-term early childhood education and care (ECEC), where the primary caregiver is unavailable. The program provides access for vulnerable children aged zero to five years who are most likely to benefit and least likely to access high quality ECEC services.

CSP aims to:

- ensure childcare places are available to allow families to access flexible and responsive ECEC
- work to ensure ACT Government funded places are available across approved centres
- promote strong, secure and healthy relationships between children aged 0–5 years and their parents/carers.

The program has successfully supported access to ECEC places for children from Aboriginal and Torres Strait Islander families, who traditionally have a low rate of attendance in early education and care.

The early childhood education and care sector is an ever-changing landscape, influenced by Australian Government initiatives and both the not-for-profit and for-profit sectors. The CSP continues to be flexible, recognising that ECEC policy is mostly driven by the Australian Government. The directorate has been working closely with funded providers to assist in the transition to the Australian Government new subsidy arrangements, with the introduction of the Jobs for Families Child Care Package. The directorate and funded providers continue to work collaboratively to ensure children are accessing childcare subsidies which best meet their needs.

Several supports that are complementary to ECEC are also funded under the CSP. For example, Family Foundations, a free, early intervention program that promotes strong, secure, and healthy relationships between children aged zero to five years and their parents/carers. Parents gain knowledge, experience and strategies to build on their parenting skills as well as being linked with additional support to provide a holistic, wraparound early intervention approach.

During 2018–19, the Community Services Directorate used program data to reallocate funded placements to address new vacancy and service demand trends. This provided vulnerable children and families with greater access to early childhood education and care in their familiar environments. This increased their ability to engage in their local community and achieve social inclusion outcomes, benefitting overall wellbeing.

## Community Development Program: Emergency Relief and Financial Support Program

Historically, the Community Services Directorate has funded several community organisations to deliver immediate or transactional emergency material and financial aid (EMFA).

The Emergency Material and Financial Aid (EMFA) Program provides timely support to individuals and families experiencing disadvantage and financial stress.

Support may take various forms, including (but not limited to), vouchers, grocery items, clothing, and financial assistance such as the payment of outstanding bills. During their contact with an EMFA provider, individuals and families may also receive information about, or referrals to, other services for additional and ongoing support, such as financial counselling or case management.

In 2017–18, the Community Services Directorate led a redesign process to better understand the nature of poverty and emerging needs of people, as well as the effectiveness of current EMFA programs. The redesigned program reflected the importance of providing sustainable long-term support for families based on social inclusion and building relationships and of addressing the underlying causes of financial hardship, as well as providing crisis responses.

The redesigned Emergency Relief and Financial Support Program (ERFSP) contracting arrangements commenced 1 July 2018, with five community organisations and are in place until June 2023.

The new contracting arrangements see a strong focus on what we refer to as a 'relational approach', rather than focusing on poverty, the relational approach provides support to enhance social inclusion, and includes services such as advocacy, case management, counselling and referrals. By providing emergency relief and linking families to information or services where appropriate, the funded providers play a key role in enabling individuals and families to participate in school and community life, building capacity and resilience.

## ACT Government initiatives undertaken in relation to service delivery to Aboriginal and Torres Strait Islander communities in 2018–19

### *The ACT Aboriginal and Torres Strait Islander Agreement 2019–2028*

In 2019 the ACT Government reaffirmed their commitment to self-determination and delivering equitable outcomes. The new Aboriginal and Torres Strait Islander Agreement 2019–2028 sets the long term (10 year) direction in Aboriginal and Torres Strait Islander Affairs in the ACT and obligates the signatories to work together to enable equitable outcomes for the Aboriginal and Torres Strait Islander Community. The Agreement provides a framework for ACT Government agencies and our partners to deliver actions that reflect the commitments under the Agreement's focus areas. Each ACT Government Directorate is reporting on the progress of actions outlined in the action plan.

The overarching theme of the Agreement 2019–2028—as with the previous three-year Agreement 2015–2018—is Strong Families. For Aboriginal and Torres Strait Islander peoples, family is the foundation for a healthy, independent and culturally rich community. Connection to family, community and country is at the heart of success in all facets of life for Aboriginal and Torres Strait Islander peoples. Since the official signing and community launch of the new Agreement in 2019, the ACT Government has been progressing priority actions in each of the core and significant focus areas of the Agreement.

The Quality Life Outcomes in the Agreement will be measured as we progress the Agreement's ten action plans, which were developed in partnership with the ACT Aboriginal and Torres Strait Islander Elected Body. There are strong governance and reporting mechanisms in place are vital to understanding the impact of this work for Aboriginal and Torres Strait Islander peoples in the ACT.

To highlight some of the work currently underway to meet the core focus area of increasing the population of Aboriginal and Torres Strait Islander population living in appropriately sized housing, the ACT Housing Strategy made a commitment to develop two more long-term accommodation complexes for older Aboriginal and Torres Strait Islander people, based off the Mura Gunya complex, which provides dedicated, culturally appropriate housing for older Aboriginal and Torres Strait Islander people.

In 2018–19, \$4.488 million was committed to deliver up to 10 more dwellings for older Aboriginal and Torres Strait Islander Canberrans. Housing ACT has worked closely with the Aboriginal and Torres Strait Islander Elected Body to identify a suitable site for the second and third complex, to be built in Lyons and Dickson respectively.

In 2017 the ACT Government engaged a provider to deliver the ACT *Aboriginal and Torres Strait Islander Business Development and Entrepreneurship Program*. This program operated over two years. The provider was engaged for a further year to deliver:

- Aboriginal and Torres Strait Islander business Yarning Circle
- Aboriginal and Torres Strait Islander business specific workshops
- Individual business mentoring
- Specialist business advice sessions
- School engagement and careers advice.

The ACT Aboriginal and Torres Strait Islander *Business Development and Entrepreneurship Program* was aligned with the *Significant Focus Area: Economic Participation from the ACT Aboriginal and Torres Strait Islander Agreement 2019–2028*, specifically against the target to increase the number of Aboriginal and Torres Strait Islander businesses, social enterprises and entrepreneurs supported.

## ACT Government deregulation and legislative change in 2018–19

### *Deregulation reforms*

In 2018–19, the ACT Government coordinated and undertook initiatives to deliver upon its regulatory reform agenda. This included red tape reduction and regulatory simplification, transitioning of the ACT greyhound racing industry, supporting outcomes from the evaluation of taxi and rideshare reforms, and providing a framework for the regulation of combat sports.

## Report from the Australian Local Government Association

### Development in the use of long term financial and asset management plans by local government

All states and territories have implemented programs to assist councils to focus on long-term financial and asset management practices over the past decade. This is in line with agreements made by the Local Government and Planning Ministers Council in the mid-2000s.

In 2018–19, local government non-financial assets including roads, community infrastructure such as buildings, facilities, airports, water and sewerage (in some states) including land, was valued at \$457.002 billion (ABS Government Finance Statistics, Annual 2018–19, April 2020). Many of these assets have been accumulated over decades, sometimes with state or Commonwealth capital assistance without regard to life-cycle costs.

Local government revenue in 2018–19 was in the order of \$46.5 billion, and given the significant level of assets under management, councils face considerable difficulties in maintaining and renewing these assets at the same time as providing the other services that are expected by local and regional communities and other levels of governments.

To develop a better national understanding of local governments' non-financial assets and monitor progress, ALGA commissioned TechnologyOne Strategic Asset Management to develop the 2018 State of the Assets Report. This report estimated that the replacement cost of land and fixed assets supporting the various economic (e.g. roads, buildings, water supply, etc.) and social services (e.g. health, welfare services, etc.) provided by local government is in the order of \$426 billion as reported at the end of June 2017. The greatest proportion of infrastructure assets by value is Roads (Sealed and Unsealed pavements) at 39 per cent.

The 2018 State of the Assets Report estimated an infrastructure renewals backlog of around \$30 billion. This exceeds the funding capacity of the local government sector under current revenue arrangements. Councils also estimate \$24 billion of current infrastructure value has poor capacity. The actual upgrade cost of substandard infrastructure is likely to be up to five times that value.

This is the beginning of the renewal of the infrastructure built during the 'baby boom' and rapid growth period in the 60's and 70's. There has been a steady increase in renewal spending since 2005, but the proportion of infrastructure in poor condition is not going down indicating it is likely that there will be a major renewal phase over the coming 20 years.

The most recent ABS statistics (ABS Government Finance Statistics, Annual 2018–19, April 2020) state that the three highest levels of local government expenditure in 2018–19 are in aggregate—\$8.93 billion on General Public Services, \$8.32 billion on Transport and Communications and \$6.44 billion on Recreation, Culture and Religion. This figure includes expenditure of Roads to Recovery funding of \$364.5 million in 2018–19 Budget.

Local roads make up around 75 per cent of the national road network (by length) and service every Australian and business on a daily basis. ALGA continues to work with the Transport and Infrastructure Council and all jurisdictions on road reform including independent price regulation, forward looking cost base, community service obligations, heavy vehicle charging, assets management, data standard pilots and piloting local council asset registers that will inform road user charging and heavy vehicle reform, essential for increased national productivity.

The issue of road user charging is becoming increasingly important as developments in motor vehicle technology, particularly improvements in fuel efficiency and the move

to electric vehicles and then autonomous vehicles gather pace. At the same time, fiscal constraints on meeting the required level of capital investment for roads has led to increased focus on improved transparency around road expenditure, investment and service delivery.

Some of the challenges facing the local government road network, include:

- First and last mile capacity for efficient delivery of freight
- Road safety especially for rural roads
- The relatively rapid growth of total government road related expenditure costs
- The unsustainable reliance on intergovernmental transfers for road funding which themselves rely on unsustainable road taxes and charges
- The competing funding pressures from other government services
- The need for road investment to more clearly reflect whole of life costs and road user needs particularly to accommodate the larger and heavier high productivity heavy vehicles.

## Actions to develop and implement comparative performance measures between local governing bodies

At the national level there are no overarching systems in place to collect, analyse and compare performance measures across the 537 local councils in Australia. Any performance measures that are in place are currently established and managed by state and territory governments often with a different approach. In the late 1990s Local Government Ministers considered such a system and agreed that it was not feasible, given the significant variation of services across state and territories.

However, ALGA supports the availability of accurate, timely and consistent data to enable an evidence based research, planning and outcomes. Where possible, ALGA advocates for this approach which has also been confirmed in many Parliamentary research reports in recent years.

## Reforms undertaken during 2018–19 to improve the efficiency and effectiveness of local government service delivery

ALGA and its state and territory associations strongly support regional collaboration and shared services. State and territory governments over the past 25 years have pursued policies of amalgamation including in Victoria, Queensland, and New South Wales, and a failed attempt at metropolitan amalgamations in Western Australia. In recent years there has also been a substantial change to the structure of local government in the Northern Territory. ALGA opposes forced council amalgamations.

Councils and communities around Australia are embracing new technologies. Councils are providing free Wi-Fi, communicating with and consulting through online forums and social media, and developing more sophisticated websites and mobile apps to enhance service provision to their communities. However, councils are at very different stages of the journey, and digital transformation is by no means uniform across councils.

For local government there are some significant gains from coordinated approaches to Information Communication Technology (ICT), many of which State/Territory Associations are already leveraging. These include shared ICT and shared services, coordinated/joint procurement and the sharing of knowledge and approaches that deliver the greatest results. Data captured representing communities' concerns and ideas, desired amenities and suggestions for development paired with more effective, automated analysis could facilitate an unprecedented level of open engagement between citizens and government.



During 2018–19 some councils were signatories to the Federal Government's City or Regional Deals which facilitate a partnership between the three levels of government to work towards a shared vision for a place, town or region. The City and Regional Deal model provides greater co-ordination, certainty and efficiency of infrastructure provision.

## Initiatives undertaken and services provided by local governments to Aboriginal and Torres Strait Islander communities

ALGA supports the Closing the Gap initiatives and notes the range of important work and services delivered by local governments to urban, regional and remote Aboriginal and Torres Strait Islander communities.

Over the past decade, ALGA's engagement on Indigenous issues was primarily focused on the Council of Australian Government (COAG) and relevant Ministerial Councils. Issues that were progressed by COAG included: Closing the Gap including health and education, the National Partnership Agreement on Remote Indigenous Housing (NPARIH), Indigenous economic advancement including employment and procurement, investigations into Indigenous land administration and use, and community safety.

Within these processes, ALGA's primary role has been to:

- Advocate to ensure that Commonwealth State intergovernmental arrangements take account of local government issues
- Advocate that state and territory local government associations be consulted in the development and implementation of relevant policies.

While local governments have general responsibilities for the provision of local services and infrastructure to all Australians including Aboriginal and Torres Strait Islanders<sup>16</sup>, generally the Commonwealth and states and territories have the primary responsibility for the provision (and funding) of government services and infrastructure to Indigenous people and Indigenous communities, particularly remote Indigenous communities.

In particular, many remote Aboriginal and Torres Strait Islander local governments in WA, NT, Qld and SA rely on the support for housing and infrastructure delivered under the National Partnership Agreement into Remote Indigenous Housing (NPARIH). The NPARIH is a Commonwealth and State/Territory Agreement signed in 2008 and which expired in 2016.

In Queensland alone this agreement is estimated to have created more than 400 local jobs including around 100 apprentices and in these communities few alternative jobs exist. Any reduction in funding will create significant economic losses and employment for neighbouring council communities which supply construction materials and associated professional support for housing construction. There would also be negative social consequences associated with overcrowding and unemployment including less youth participation in education, rise in juvenile crime, rise in domestic and family violence, and a rise in general social unrest in the communities.

A National Partnership Agreement with the NT Government committed \$110 million/year for four years from 2018–19. However, ALGA remains concerned that the continuation of this Agreement is not assured across all jurisdictions and has called for this critical partnership agreement to be renewed with adequate funding and long-term certainty.

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<sup>16</sup> Broadly by definition, councils have a responsibility for the provision of local government services and infrastructure in Indigenous communities but this is limited to the extent that they are empowered and resourced by state and territory governments.



# Appendix C

## Comparison of distribution models

Local Government Grants Commissions (commissions) in each state and the Northern Territory use distribution models to determine the grant they will recommend be allocated to councils in their jurisdiction. They use one model for allocating the general purpose pool among councils and a separate model for allocating the local road pool. This appendix provides a comparison of the approaches the grants commissions used for determining 2018–19 allocations.

### General purpose

In allocating the general purpose pool between councils within a jurisdiction, commissions are required under the *Local Government (Financial Assistance) Act 1995 (Cth)* (the Act) to comply with agreed National Principles (see Appendix A).

In practice, commissions determine an allocation that ensures all councils receive at least the minimum grant with the remaining allocated, as far as practicable, on a horizontal equalisation basis.

Usually, this results in commissions adopting a three-step procedure to determine the general purpose allocations.

- Step 1 Commissions determine an allocation of the general purpose pool between councils on a horizontal equalisation basis.
- Step 2 All councils receive at least the minimum grant. In most jurisdictions, in order for all councils to receive at least the minimum grant, allocations to some councils have to be increased relative to their horizontal equalisation grant.
- Step 3 If allocations to some councils are increased in step two, then allocations to other councils must decrease relative to their horizontal equalisation grant. This is achieved by a process called ‘factoring back’.

In step 3, because allocations to some councils are decreased, the resultant grant may be less than the minimum grant. As a result, Steps 2 and 3 of this procedure may need to be repeated until all councils receive at least the minimum grant and the general purpose pool for the jurisdiction has been completely allocated. More details on the approaches grants commissions use for Steps 1 and 3 are provided in the following.

### Allocating on a horizontal equalisation basis

An allocation on a horizontal equalisation basis is defined in section 6 of the Act. More specifically, according to subsection 6(3) horizontal equalisation:

- (a) ensures that each local governing body in a State [or 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 [or territory]; and
- (b) takes account of differences in the expenditure required to be incurred by local governing bodies in the performance of their functions and in their capacity to raise revenue.

The ‘average standard’ is a financial standard. It is based on the expenditure undertaken and revenue actually obtained by all councils in the jurisdiction.

Horizontal equalisation, as defined in the Act, is about identifying advantaged and disadvantaged councils and bringing all the disadvantaged councils up to the financial position of a council operating at the average standard. This means the task of the commissions is to calculate, for each disadvantaged council, the level of general purpose grants it requires to balance its assessed costs and assessed revenues.

When determining grant allocations on a horizontal equalisation basis, Local Government Grants Commissions use one of two distribution models:

- balanced budget—based on the approach of assessing the overall level of disadvantage for a council using a notional budget for the council
- direct assessment—based on the approach of assessing the level of disadvantage for a council in each area of expenditure and revenue.

Table 40 shows the type of distribution model used by each commission.

Table 40 *Distribution models used for general purpose grants for 2018–19 allocations*

State	Model used
NSW	Direct assessment model
Vic	Balanced budget model
Qld	Balanced budget model
WA	Balanced budget model
SA	Direct assessment model (for local governing bodies outside the incorporated areas [the Outback Communities Authority and five Aboriginal Communities] allocations are made on a per capita basis)
Tas	Balanced budget model
NT	Balanced budget model

Source: Information provided by Local Government Grants Commissions.

## The balanced budget model

Victoria, Queensland, Western Australia, Tasmania and the Northern Territory use the balanced budget approach. Their models are based on making an assessment of each council's costs of providing services and its capacity to raise revenue, including its capacity to obtain other grant assistance.

The balanced budget model can be summarised as:

General purpose	<i>equals</i>	assessed costs of providing services
	<i>plus</i>	assessed average operating surplus/deficit
	<i>less</i>	assessed revenue
	<i>less</i>	actual receipt of other grant assistance.

## The direct assessment model

New South Wales and South Australia use the direct assessment approach. Their models are based on assessing the level of advantage or disadvantage in each area of expenditure and revenue and summing these assessments over all areas of expenditure and revenue for all councils.

In each area of expenditure or revenue, an individual council's assessment is compared to the average council. The direct assessment model calculates an individual council's level of disadvantage or advantage for each area of expenditure and revenue, including for other grant assistance. It can be summarised as:

General purpose	<i>equals</i>	an equal per capita share of the general purpose pool
	<i>plus</i>	expenditure needs
	<i>plus</i>	revenue needs
	<i>plus</i>	other grant assistance needs.

The balanced budget and direct assessment models will produce identical assessments of financial capacity for each council, if the assessed average operating surplus or deficit is included in the balanced budget model.

## Scope of equalisation

The scope of equalisation is about the sources of revenue raised and the types of expenditure activities that a commission includes when determining an allocation of the general purpose grant on a horizontal equalisation basis. The following table shows the differences in the scope of equalisation of the commissions.

Table 41 Scope of equalisation in commissions' models for general purpose grants

Expenditure function	NSW	Vic	Qld	WA	SA	Tas	NT
Administration	Yes	Yes	Yes	Yes	No	Yes	Yes
Law, order and public safety	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Education, health and welfare	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Community amenities	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Recreation and culture	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Transport:							
– local roads	Yes	Yes	Yes	Yes	Yes	Yes	Yes
– airports	Yes	Yes	Yes	Yes	No	Yes	No
– public transport	No	No	Yes	No	No	N/A	No
– other transport	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Building control	Yes	Yes	Yes	No	Yes	Yes	No
Garbage	No	Yes	Yes	Yes	Yes	Yes	Yes
Water	No	No	No	No	No	N/A	No
Sewerage	No	No	No	No	No	N/A	No
Electricity	No	No	No	No	No	N/A	No
Capital	No	No	No	No	No	No	No
Depreciation	Yes	Yes	Yes	Yes	Yes	Yes	No
Debt servicing	No	Yes	No	Yes	No	Yes	No
Entrepreneurial activity	No	No	No	No	No	Yes	No
Agency arrangements	No	No	No	No	No	No	No
<b>Revenue function</b>							
Rate revenue	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Operation subsidies	No	No	No	Yes	Yes	Yes	Yes
Garbage charges	No	Yes	Yes	Yes	Yes	Yes	Yes
Water charges	No	No	No	No	No	N/A	No
Sewerage charges	No	No	No	No	No	N/A	No
Airport charges	No	No	Yes	No	No	Yes	No
Parking fees and fines	No	Yes	Yes	Yes	No	No	Yes
Other user charges	No	Yes	Yes	Yes	No	Yes	Yes

Notes: Functions for which a 'Yes' is provided above are not necessarily separately assessed by the relevant Local Government Grants Commission, but may be included as part of another assessed function. For example, depreciation might be included as a cost under the category for which the relevant asset is provided. Similarly, revenue functions might be included as reductions in the associated expenditure function.

N/A = not applicable.

Source: Information provided by Local Government Grants Commissions in each state and territory.

## Revenue assessments

Sources of revenue for local government are rates, user charges and government grants. The treatment of revenue assessments is discussed in the section below.

**New South Wales** undertakes an assessment of a councils' relative capacity to raise revenue and uses allowances to attempt to compensate councils for their relative lack of revenue-raising capacity. Property values are used as the basis for assessing revenue-raising capacity as rates, based on property values, are the principal source of council income. Property values also indicate the relative economic strength of local areas. In the revenue allowance calculation, councils with low values per property are assessed as being disadvantaged and are brought up to the average (positive allowances), while councils with high values per property are assessed as being advantaged and are brought down to the average (negative allowances).

Separate calculations are made for urban and non-urban properties. This reflected a concern that use of natural weighting would exaggerate the redistributive effect of the average revenue standards. That is, the revenue allowances are substantially more significant than the expenditure allowances. This issue was discussed with the Australian Government and the agreed principles provide that 'revenue allowances may be discounted to achieve equilibrium with the expenditure allowances'. As a result, both allowances are given equal weight.

The discounting helps reduce the distortion caused to the revenue calculations as a result of the property values in the Sydney metropolitan area.

For each council, **Victoria** calculates a raw grant, which is determined by subtracting the council's standardised revenue from its standardised expenditure. A council's standardised revenue is intended to reflect its capacity to raise revenue from its community and, in the case of standardised rates revenue, is calculated for each council by multiplying its valuation base (on a capital improved value basis) by the average rate across all Victorian councils over three years. The payments in lieu of rates received by some councils for major facilities, such as power generating plants and airports, have been added to their standardised revenue to ensure that all councils are treated on an equitable basis. Rate revenue raising capacity is calculated separately for each of the three major property classes (residential, commercial/industrial/other and farm) using a four-year average of valuation data.

The Victoria Grants Commission constrains increases in each council's assessed revenue capacity to improve stability in grant outcomes. The constraint for each council has been set at the state-wide average increase in standardised revenue adjusted by the council's own rate of population growth to reflect growth in the property base. A council's relative capacity to raise revenue from user fees and charges, or standardised fees and charges revenue, also forms part of the calculation of standardised revenue.

**Queensland** uses the revenue categories of: rates; garbage charges; fees and charges; and other grants and subsidies. Queensland's rating assessment is the total Queensland rate revenue divided by the total land valuation for Queensland. This derives a cent in the dollar average, which is then multiplied by the land valuation of each council. This is then adjusted to allow for each council's capacity to raise rates using an Australian Bureau of Statistics product, the SocioEconomic Indexes for Areas (SEIFA). The methodology uses three of the indices: Index of Relative SocioEconomic Advantage and Disadvantage (SEIFA 2); Index of Economic Resources (SEIFA 3); and Index of Education and Occupation (SEIFA 4). Because Indigenous councils do not generally levy rates, 20 per cent of their Queensland Government Financial Aid allocation is used as a proxy for rate revenue.

In **Western Australia**, an average standard is calculated based on actual revenues in five revenue categories and then applied to key data to generate revenue assessments for each local government. The categories are: residential, commercial and industrial rates; agricultural rates; pastoral rates; mining rates; and investment earnings.

**South Australia** estimates the revenue raising capacity of each council for each of five land use categories: residential, commercial, industrial, rural, and other. Its 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 a revenue relativity index for the council and those for the State as a whole, and multiplying this by the council's population. To overcome fluctuations in the base data, valuations, rate revenue and population are averaged over three years.

**Tasmania** assesses a council's standardised revenue by applying a standard rate in the dollar to the assessed annual value of all rateable property in its area, plus the council's per capita grant allocation and certain other financial support payments. Councils that are assessed to have a negative standardised deficit (a surplus where revenue capacity is greater than expenditure requirement) do not receive a relative needs grant component. These councils only receive a population share of the per capita minimum grant portion of the base grant component.

In the **Northern Territory**, the methodology calculates standards by applying cost adjusters and average weightings to assess the revenue raising capacity and expenditure need of each council. The assessment is the Northern Territory Grants Commission's measure of the ability of each council to function at the average standard in accordance with the National Principles. For most local governments, the assessed expenditure needs exceed the assessed revenue capacity, meaning there is an assessed need. In four cases in the Northern Territory, assessed revenue capacity is greater than assessed expenditure need, meaning that there is no assessed need.

As the ownership of the land on which many communities are located is vested in land trusts established pursuant to the *Aboriginal Lands Rights (Northern Territory) Act 1976 (Cth)*, it is not for all intents and purposes feasible to use a land valuation system solely as the means for assessing revenue raising capacity.

*Other grants support—National Principle*

The fourth National Principle for the general purpose grants (National Principle A4) involves the revenue assessment and states:

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.

This National Principle requires commissions, when determining the allocations on a horizontal equalisation basis, to include all grants that are provided to councils from governments as part of the revenue that is available to councils to finance their expenditure needs. Only those grants that are available to councils to finance the expenditure of a function that is assessed by commissions should be included. Both the grants received and the expenditure it funds should be included in the allocation process.

The following table provides details on the grants included by commissions in allocating the general purpose component in 2018–19.



Table 42 Grants treated by inclusion for 2018–19 by jurisdiction

State	Grants treated by inclusion in general purpose allocations
NSW	Local road grant and library grant. For other recurrent grant support the grant is deducted from the council's expenditure before standard costs are calculated.
Vic	Net standardised expenditure has been obtained for each expenditure function by subtracting standardised grant support from gross standardised expenditure. All Australian and state government recurrent grants including each council's local road grant and Roads to Recovery program grant.
Qld	Grants relevant to the expenditure categories are: previous year's local roads component (50 per cent); Queensland Government Financial Aid (Indigenous councils only—20 per cent); and minimum grant component of previous year's general purpose component of the Financial Assistance Grant program (100 per cent).
WA	Other grants are included with other revenues and are netted from expenditure. This reduces the expenditure total of each function by the total amount of available grants. Consistent with natural weighting, Western Australia's assessments are scaled to the actual amount of total revenue and total expenditure.
SA	Subsidies such as those for library services and the local road grants are included in the revenue assessments for councils.
Tas	In Tasmania all revenues received by councils are included in the base grant assessment (except where a case is made for its exclusion). The included revenues are treated as either: in the standardised revenue calculation (if those revenues are within the scope of council's sphere of influence); or included as other financial support (if those revenues and grants are received from sources where the council has no influence over what revenue or grant is derived).
NT	The Northern Territory includes funding from the Roads to Recovery program (50 per cent of the grant), library and local roads grants, which are recognised in the revenue component of the methodology

Source: Based on information provided by Local Government Grants Commissions.

## Expenditure assessments

In addition to expenditure on local roads, the main expenditures of councils are on general public services, including the organisation and financial administration of councils; recreation facilities; and sanitation and protection of the environment, including disposal of sewerage, stormwater drainage and garbage. Assessing local road expenditure needs for the general purpose grant is discussed in the section below.

**New South Wales** has calculated expenditure allowances based on six council services. These services are: 'recreation and cultural', 'administration and governance', 'community and amenity', 'community services and education', 'roads bridges and footpaths', and 'public order, safety health, and other'. An additional allowance is calculated for councils outside the Sydney statistical division that recognises their isolation.

Disability factors are also considered among the expenditure categories. A disability factor is the estimate of the additional cost of providing a standard service, due to inherent characteristics beyond the control of a council.

In 2018–19, a transition period has been entered into to smooth the impact of changing grant outcomes. The current transition approach is to apply a five per cent upper limit on increases and a zero per cent lower limit on a council's previous general purpose component. No council is receiving a decrease during the transition.

The standardised expenditure is calculated for each **Victorian** council on the basis of nine expenditure functions. Between them, these expenditure functions include all council recurrent expenditure. The Victorian model ensures that the gross standardised expenditure for each function equals aggregate actual expenditure by councils, thus ensuring that the relative importance of each of the nine expenditure functions in the model matches the pattern of actual council expenditure. For three expenditure functions (governance; environment and business; and economic services), an adjusted population is used as the major cost driver to recognise the fixed costs associated with certain functional areas.

The major cost drivers used in assessing relative expenditure needs for these functions take account of the high rates of vacant dwellings at the time the census is taken. Councils with a vacancy rate above the state average are assumed to have a population higher than the census-based estimate. For the governance expenditure function, councils with a population of less than 20,000 are deemed to have a population of 20,000. For the environment function and business and economic services functions, councils with a population of less than 15,000 are deemed to have a population twice that amount, up to a maximum of 15,000.

**Queensland** includes nine service categories in its expenditure assessments: administration; public order and safety; education, health, welfare and housing; garbage and recycling; community amenities, recreation, culture and libraries; building control and town planning; business and industry development; roads; and environment. Further, Queensland applies the suite of cost adjusters to service categories.

**Western Australia** assesses the standard or average expenditure needs for each local government over six expenditure categories. These are governance; law, order and public safety; education, health and welfare; community amenities; recreation and culture; and transport. The standardised assessments for each local government are adjusted by cost adjusters which recognise the additional costs that individual local governments experience in the provision of services due to a range of causes.

**South Australia** 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 uses 12 expenditure categories in addition to the local road categories.

**Tasmania** calculates its standardised expenditure by calculating the total state-wide spending for each expenditure category and the share of the total expenditure between councils on a per capita basis (standard expenditure), and then applying cost adjusters to standard expenditure to reflect inherent cost advantages/disadvantages faced by individual councils in providing services.

Tasmania's base grant model cost adjusters include: absentee population; scale (admin); climate; scale (other); dispersion; tourism; isolation; unemployment; population decline; worker influx and regional responsibility.

The assessment of standard expenditure is based on the **Northern Territory** average per capita expenditure within the expenditure categories to which cost adjusters reflecting the assessed disadvantage of each local government are applied. The Northern Territory Grants Commission currently uses nine expenditure categories in accordance with the Australian Bureau of Statistics Local Government Purpose Classifications.

## Assessing local road expenditure needs under the general purpose grants

As part of the expenditure needs assessment to determine the general purpose allocation, commissions also assess each council's local road needs. The main features of the models that the commissions use to assess local road needs and determine the general purpose allocations in 2018–19 are discussed below.

The **New South Wales** method of allocating the local road component is based on a formula developed by the New South Wales roads authority. The formula uses councils' proportion of the state's population, local road length and bridge length.

**Victoria's** formula for allocating local roads grants is based on each council's road length (for all surface types) and traffic volumes, using average annual preservation costs for given traffic volume ranges. The methodology includes cost modifiers for freight loading, climate, materials, sub-grade conditions and strategic routes and takes account of the deck area of bridges on local roads.

**Queensland** uses an asset preservation model to assess road expenditure, estimating the cost to maintain a council's road network, including bridges and hydraulics. Allowances are given for heavy vehicles, which increase the road usage, increasing a council's road expenditure amount.

**Western Australia** calculates the local road component using the asset preservation model, which has been in place since 1992. The model assesses the average annual costs of maintaining each local government's road network and has the capacity to equalise road standards through the application of minimum standards. These standards help local governments that have not been able to develop their road systems to the same standard as more affluent local governments.

**South Australia** divides local road funding in the metropolitan area and non-metropolitan areas differently. In metropolitan areas, allocations to individual councils are determined by an equal weighting of road length and population. In the non-metropolitan area, allocations are made on an equal weighting of road length, population and the area of each council.

**Tasmania** uses a roads preservation model to determine the relative road expenditure needs for each council. The roads preservation model reflects the mix of road and bridge assets maintained by councils and estimates the cost of asset preservation for both roads and bridges. The model assesses the road preservation component for each council in three road classes: urban sealed, rural sealed and unsealed roads.

To determine the local road grant, the **Northern Territory** applies a weighting to each council by road length and surface type. These weightings are: 27 for sealed, 12 for gravel, 10 for cycle paths, seven for formed and one for unformed. The general purpose location factor is also applied to recognise relative isolation.

## Needs of Indigenous communities

The fifth National Principle for distribution of the general purpose grants (National Principle A5) states:

Financial assistance shall be allocated to councils in a way which recognises the needs of Aboriginal peoples and Torres Strait Islanders within their boundaries.

While the special needs of Indigenous Australians are recognised when assessing the expenditure of councils on services in all jurisdictions, it remains the decision of each council as to how the grant will be spent and what services will be provided for its Indigenous residents. A summary of this recognition is provided below.

In **New South Wales**, services to Aboriginal communities are considered as part of the expenditure allowances. The methodology also considers the needs of Aboriginal communities with regard to their access and internal local roads needs in the distribution of the local road component.

**Victoria** includes a cost adjustor that reflects the Indigenous population when calculating the general purpose component of allocations to councils.

**Queensland** applies a cost adjustor for location that recognises that rural, remote and Indigenous communities generally have higher costs associated with service delivery. The jurisdiction also applies a cost adjustor for population in both Indigenous and non-Indigenous councils to account for Indigenous descent whereby the assessed expenditure per capita is increased in accordance with the proportion of Indigenous population and, additionally, for Indigenous people aged over 50.

**Western Australia** applies an Indigenous factor as a cost adjustor for its governance expenditure standard in its calculation of general purpose grants and considers Indigenous population data from the Australian Bureau of Statistics when calculating the cost adjustors applied to the expenditure standard.

In **South Australia**, an expenditure function named Other Needs Assessments comprises Commission determined relative expenditure needs of councils with respect to Aboriginal people. For local governing bodies outside the incorporated areas (the Outback Communities Authority and five Aboriginal Communities) allocations are made on a per capita basis due to the unavailability of data.

The State Grants Commission in **Tasmania** has formally investigated and considered the issue of how to recognise the needs of Aboriginal peoples and Torres Strait Islanders within council boundaries in its base grant assessment process. Based on both the Index of Relative Indigenous Socioeconomic Outcomes and advice provided by those councils with the highest proportion of their populations recognised as having Indigenous origin, the Commission has formally determined that no additional adjustments are needed, within Tasmania's base grant model methodologies, in order to account for the different needs of Aboriginal peoples and Torres Strait Islanders across municipalities in Tasmania.

The **Northern Territory** applies a cost adjustor, based on the proportion of the population that is Indigenous, to its expenditure assessments for certain expenditure categories. The majority of shire service delivery in the Northern Territory is to remote communities whose population is almost entirely Indigenous Australian.

## Council amalgamation—National Principle

A sixth National Principle for the general purpose grant applies to councils that amalgamate. The amalgamation principle (National Principle A6) took effect on 1 July 2006 and states:

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.

In addition to complying with the other National Principles for the general purpose grant, grant commissions are required to treat the general purpose grant allocated to councils formed as the result of amalgamation in a way that is consistent with this National Principle.

No amalgamations occurred during 2018–19.

## Factoring back and satisfying the minimum grant principle

Once the revenue capacity and expenditure needs have been determined for each council, the raw grant can be calculated by subtracting its revenue capacity from expenditure needs, the difference being each council's raw general purpose grant.

There are two situations that require commissions to apply a 'factoring back' process. The first situation is when the total raw grant does not equal the available grant for the jurisdiction. This can occur when the commission has not:

- assessed all revenue and expenditure categories for councils in the jurisdiction
- ensured that the total assessed revenue and expenditure across all councils in the jurisdiction equals the total actual revenue and expenditure for all councils
- used a budget result term for each council when applying the balanced budget approach.

The use of a consistent approach for allocating grants would address this issue.

The second situation occurs when the raw grant allocation for a council does not comply with the minimum grant National Principle. National Principle A3 requires:

The minimum general purpose grant allocation for a local governing body in a year will be not less than the amount to which the local governing body would be entitled if 30 per cent of the total amount of general purpose grants to which the state or territory is entitled under section 9 of the Act in respect of the year were allocated among local governing bodies in the state or territory on a per capita basis.

Grants to councils with raw grant allocations below the minimum grant (including negative grants) are increased to comply with the minimum grant National Principle. This requires grants to other councils in the jurisdiction to be reduced through a factoring back process.

Should the grant to one or more councils following the initial factoring back process reduce their grant below the minimum grant, the factoring back process would be repeated. This process would have to be repeated until both the minimum grant and available grant constraints are simultaneously met.

Two approaches are used by commissions for factoring back the raw grant:

- proportional method—each raw grant for a council is reduced by the same proportion so that the total of the grants equals the available grant
- equalisation ratio method—each grant for a council is reduced such that all councils can afford to fund the same proportion of their expenditure needs with their total income (assessed revenue capacity plus other grant support and general purpose grant).

The Western Australian Government Grants Commission changed its phasing policy for the 2018–19 grant determinations. It had become apparent that due to the limited funding pool growth in recent years, the Commission was unable to provide the desired increases in grants to local governments that were receiving significantly less than their general purpose equalisation need. The Commission agreed that this was inequitable and that a fairer method would need to be implemented. As part of this process, any local government

receiving less than 50 per cent of their equalisation was lifted to 50 per cent. The scaleback (where funding available meets equalisation need) in 2018–19 was determined to be 69 per cent. As a result, any local governments above 69 per cent received a one per cent reduction in their general purpose grant. The remaining local governments below 69 per cent shared in the freed up funding. The Commission intends for all local governments to receive a common scaled back figure in the future and will continue to transition to this.

The amount of cash that finally ends up being paid in a financial year to a council for general purpose needs is its actual grant for that financial year for general purpose needs.

Most jurisdictions apply floors and ceilings (i.e. limits) to the increases or decreases, in general purpose funding, which councils are granted in any one financial year over the previous financial year(s). This too can result in the need for some positive or negative feedback into the calculations of the final actual general purpose grants paid to councils within a particular jurisdiction in a particular financial year.

### Local road component

The National Principles require the local road grant to be allocated so that, as far as practicable, the grant is allocated to councils (National Principle B1):

... on the basis of the relative needs of each council for roads expenditure and to preserve its road assets. In assessing road needs, relevant considerations include length, type and usage of roads in each council area.

For the local road needs assessment, the models are either relatively simple constructs or more complex asset preservation models.

New South Wales, South Australia and the Northern Territory use relatively simple models to allocate the local road grant. New South Wales and South Australia firstly classify local roads as either metropolitan or non-metropolitan and then allocate funding based mainly on the factors of population and road length. The Northern Territory allocates funding based on road length and road surface type.

Queensland, Victoria, Western Australia, and Tasmania use asset preservation models to allocate the local road grant. The asset preservation model attempts to measure the annual cost of maintaining a road network. It takes into account recurrent maintenance costs and the cost of reconstruction at the end of the road's useful life. It can also take other factors into account such as the:

- costs associated with different types of roads (sealed, gravel and formed roads)
- impact of weather, soil types and materials availability on-costs
- impact of traffic volume on the cost of maintaining these roads.

Prior to applying their grant allocation methodologies, Western Australia and South Australia quarantine seven per cent and 15 per cent respectively for funding special road projects. Expert committees provide advice on the projects to be funded.

The following table summarises the main features of the models used by the commissions for allocating local road grants in 2018–19.

Table 43 Allocating local road grants in 2018–19

State	Features of the distribution model for allocating local road grants
NSW	<p>Initially, 27.54 per cent is distributed to local roads in urban areas and 72.46 per cent to local roads in rural areas.</p> <p>In urban areas, five per cent is distributed to individual councils on the basis of bridge length and the remaining 95 per cent is distributed to councils on the basis of road length and population.</p> <p>In rural areas, seven per cent is distributed to individual councils on the basis of bridge length and 93 per cent is distributed to councils on the basis of road length and population.</p>
Vic	<p>Victoria's formula for allocating local roads grants is based on each council's road length (for all surface types) and traffic volumes, using average annual preservation costs for given traffic volume ranges. The methodology also includes a set of five cost modifiers for freight loading, climate, materials, sub-grade conditions and strategic routes, and takes account of the deck area of bridges on local roads.</p> <p>The actual local roads grant is determined by applying the available funds in proportion to each council's calculated network cost.</p>
Qld	<p>Queensland allocates, as far as practicable, on the basis of the relative need of each local government for roads expenditure and to preserve its road assets using a formula based on road length and population. This formula is: 62.85 per cent is allocated according to road length and 37.15 per cent is allocated according to population.</p>
WA	<p>Western Australia recommends the distribution of the local road component using the asset preservation model.</p> <p>Under the arrangements approved for Western Australia, seven per cent of the funds provided for local roads are allocated for special projects (one-third for roads servicing remote Indigenous communities and two-thirds for bridges). The remaining 93 per cent is distributed in accordance with road preservation needs. The model assesses the average annual costs of maintaining each local government's road network and has the capacity to equalise road standards through the application of minimum standards. These standards help local governments that have not been able to develop their road systems to the same standard as other local governments.</p>
SA	<p>In South Australia, the identified local road grants component is divided into formula grants (85 per cent) and special local road grants (15 per cent). The formula component is divided between metropolitan and non-metropolitan councils on the basis of an equal weighting of road length and population.</p> <p>In the metropolitan area, allocations to individual councils are determined again by an equal weighting of road length and population. In the non-metropolitan area, allocations are made on an equal weighting of road length, population and the area of each council.</p> <p>Distribution of the special local road grants is based on recommendations from the South Australian Local Government Transport Advisory Panel. This panel is responsible for assessing submissions from the metropolitan local government group and regional associations on local road projects of regional significance.</p>
Tas	<p>Allocation of the road grant is based on an asset preservation model which uses the estimated cost of preservation of roads, bridges and culverts per annum.</p> <p>The Road Preservation Model (RPM) uses three standard profiles, based on typical Tasmanian road characteristics, to categorise roads in Tasmania, as well as average costs to construct and maintain these roads over their typical lifetime. This is used to calculate the State average cost per kilometre, per annum, for councils to maintain their road networks. The three road types used in the assessment are Urban Sealed, Rural Sealed and Unsealed Roads.</p> <p>Cost adjusters and an allowance are applied within the model to account for the relative cost advantages or disadvantages faced by councils in maintaining roads. These cost adjusters include rainfall, terrain, traffic and remoteness. An urbanisation allowance is also applied to road lengths in recognised urban areas.</p> <p>The RPM calculates an assessed annualised cost for each council to preserve its road network. The road grant is then distributed to councils based on their share of the total state-wide assessed annual asset preservation costs.</p>
NT	<p>To determine the local road grant, Northern Territory applies a weighting to each council by road length and surface type. These weightings are: 27 for sealed, 12 for gravel, 10 for cycle paths, seven for formed and one for unformed. The general purpose location factor is also applied to recognise relative isolation.</p>

Source: Information provided by Local Government Grants Commissions.







# Appendix D

## Local governing body distribution in 2018–19

Appendix D shows the distribution of funding under the Financial Assistance Grant program and some basic information such as population, area in square kilometres and road length in kilometres for each local governing body in Australia.

The tables in this appendix show the actual total grant entitlement for 2018–19, which includes the bring forward from 2018–19 paid to councils in June 2018. The components of the Financial Assistance Grant program, including the general purpose grant and the local road grant, are also provided.

The councils are listed alphabetically by state and the Northern Territory. The Australian Classification of Local Governments (ACLG) category for each council is listed in the second column. An explanation of the ACLG is given in Appendix F.

To facilitate comparison, the general purpose grant per capita and the local road grant per kilometre are provided for 2018–19. These per capita and per kilometre amounts are for comparative reporting only. They are not the basis of the formula used by local government grant commissions to allocate the general purpose grant or local road grant to each council within a state or territory. Details of each jurisdiction's methodology can be found in Appendix B.

Councils receiving the minimum per capita grant in 2018–19 are indicated with a hash (#) beside their entry in the 'General purpose grant per capita' column. The per capita grant of these councils differs slightly between jurisdictions because of different data sources for population used by the Australian Government to calculate the state share of general purpose grants and those used by the Local Government Grants Commissions for allocations to individual councils. For further information on the minimum grant entitlement, see Chapter 2.

Indigenous local governing bodies are identified by an asterisk (\*) against the name of the council.

Local governing bodies that are recipients of 'Special Works' funding in South Australia and Western Australia are identified by an abbreviation (SW). Special Works funding is included in the total local road funding.

The source of the data is the relevant state or territory Local Government Grants Commission.

Table 44 Distribution to councils in New South Wales for 2018–19

New South Wales				2018–19 actual entitlement						
Council Name	Classification	Population	Council Area	Road Length	General Purpose	Local Road	Total	General Purpose	Min	Local Road
		Number	sq km	km	\$	\$	\$	\$ per capita	#	\$ per km
Albury City Council	URM	52,886	306	527	4,936,811	1,388,662	6,325,473	93.35		2,635.03
Armistale Regional Council	URM	30,552	8,621	1,873	4,149,759	2,416,320	6,566,079	135.83		1,290.08
Ballina Shire Council	URM	43,064	485	635	3,058,236	1,384,211	4,442,447	71.02		2,179.86
Balranald Shire Council	RAM	2,318	21,691	1,328	2,640,122	1,309,795	3,949,917	1,138.97		986.29
Bathurst Regional Council	URM	42,900	3,818	1,151	4,353,741	1,963,400	6,317,141	101.49		1,705.82
Bayside Council	UDV	170,279	50	354	3,510,507	1,159,592	4,670,099	20.62	#	3,275.68
Bega Valley Shire Council	URM	34,095	6,279	1,164	5,057,942	1,921,610	6,979,552	148.35		1,650.87
Bellingen Shire Council	RAV	12,888	1,600	555	2,756,417	935,068	3,691,485	213.87		1,684.81
Berrigan Shire Council	RAL	8,617	2,066	1,275	3,285,165	1,379,940	4,665,105	381.24		1,082.31
Blacktown City Council	UDV	356,859	240	1,316	13,407,575	3,363,374	16,770,949	37.57		2,555.76
Bland Shire Council	RAL	5,990	8,558	2,907	4,536,076	2,908,917	7,444,993	757.27		1,000.66
Blayney Shire Council	RAL	7,415	1,525	689	1,771,617	844,923	2,616,540	238.92		1,226.30
Blue Mountains City Council	UFL	78,800	1,431	725	7,376,639	1,366,820	8,743,459	93.61		1,885.27
Bogan Shire Council	RAM	2,664	14,600	1,371	2,596,774	1,433,403	4,030,177	974.77		1,045.52
Bourke Shire Council	RAM	2,720	41,600	1,883	3,851,031	1,886,888	5,737,919	1,415.82		1,002.06
Brewarrina Shire Council	RAS	1,687	19,164	1,272	2,587,829	1,290,354	3,878,183	1,533.98		1,014.43
Burwood Council	UDM	39,172	7	82	807,578	266,020	1,073,598	20.62	#	3,244.15
Byron Shire Council	URM	33,339	566	562	1,950,165	1,148,058	3,098,223	58.50		2,042.81
Cabonne Shire Council	RAV	13,647	6,022	1,709	2,818,617	2,034,497	4,853,114	206.54		1,190.46
Campbelltown City Council	UFV	164,273	312	690	8,220,007	1,739,739	9,959,746	50.04		2,521.36
Canterbury-Bankstown Council	UDV	367,519	110	857	8,217,613	2,640,804	10,858,417	22.36		3,081.45

## Distribution to councils in New South Wales for 2018–19 (continued)

New South Wales				2018–19 actual entitlement						
Council Name	Classification	Population	Council Area	Road Length	General Purpose	Local Road	Total	General Purpose	Min	Local Road
		Number	sq km	km	\$	\$	\$	\$ per capita	#	\$ per km
Carrathool Shire Council	RAM	2,805	18,933	2,275	3,493,824	2,290,726	5,784,550	1,245.57		1,006.91
Central Coast Council (NSW)	UFV	337,765	1,681	2,001	21,134,828	4,358,895	25,493,723	62.57		2,178.36
Central Darling Shire Council	RTM	1,833	53,492	1,602	3,801,295	1,575,393	5,376,688	2,073.81		983.39
Cessnock City Council	URM	57,527	1,965	901	5,467,481	1,675,374	7,142,855	95.04		1,859.46
City of Canada Bay Council	URM	93,858	20	189	1,934,996	634,666	2,569,662	20.62	#	3,358.02
City of Lithgow Council	URS	21,596	4,512	881	3,411,842	1,252,994	4,664,836	157.98		1,422.24
City of Parramatta Council	UDV	243,464	84	694	7,319,961	2,016,540	9,336,501	30.07		2,906.92
Clarence Valley Council	URM	51,298	10,429	2,059	7,566,668	3,225,845	10,792,513	147.50		1,566.70
Cobar Shire Council	RTL	4,713	45,579	1,693	3,970,662	1,706,531	5,677,193	842.49		1,007.99
Coffs Harbour City Council	URL	75,484	1,174	791	5,231,535	2,173,388	7,404,923	69.31		2,747.65
Coolamon Shire Council	RAM	4,400	2,431	1,192	2,362,162	1,214,696	3,576,858	536.86		1,019.04
Coonamble Shire Council	RAM	4,056	9,916	1,393	2,507,625	1,462,170	3,969,795	618.25		1,049.66
Cootamundra-Gundagai Regional Council	RAV	11,238	3,981	1,265	3,566,852	1,549,814	5,116,666	317.39		1,225.15
Council of the City of Broken Hill	URS	17,780	170	211	4,164,816	488,399	4,653,215	234.24		2,314.69
Council of the City of Ryde	UDV	124,798	41	308	2,572,861	930,505	3,503,366	20.62	#	3,021.12
Council of the City of Shellharbour	URL	71,100	147	388	4,246,075	891,780	5,137,855	59.72		2,298.40
Council of the Municipality of Woollahra	UDM	58,883	12	140	1,213,944	432,118	1,646,062	20.62	#	3,086.56
Cowra Shire Council	RAV	12,697	2,809	1,196	3,116,481	1,439,579	4,556,060	245.45		1,203.66
Cumberland Council	UDV	231,604	72	479	6,395,490	1,634,794	8,030,284	27.61		3,412.80

## Distribution to councils in New South Wales for 2018–19 (continued)

New South Wales				2018–19 actual entitlement						
Council Name	Classification	Population	Council Area	Road Length	General Purpose	Local Road	Total	General Purpose	Min	Local Road
		Number	sq km	km	\$	\$	\$	\$ per capita	#	\$ per km
Dubbo Regional Council	URM	52,084	7,535	2,551	7,947,777	3,375,438	11,323,215	152.60		1,323.18
Dungog Shire Council	RAL	9,198	2,250	601	1,652,698	903,928	2,556,626	179.68		1,504.04
Edward River Council	RAL	8,907	8,883	1,397	3,877,694	1,514,617	5,392,311	435.35		1,084.19
Eurobodalla Shire Council	URM	38,117	3,428	943	5,270,109	1,634,321	6,904,430	138.26		1,733.11
Fairfield City Council	UDV	209,107	102	609	7,413,305	1,703,964	9,117,269	35.45		2,797.97
Federation Council	RAV	12,392	5,685	2,019	4,515,556	2,196,094	6,711,650	364.39		1,087.71
Forbes Shire Council	RAL	9,844	4,710	1,745	3,379,903	1,922,526	5,302,429	343.35		1,101.73
Georges River Council	UDV	156,440	38	366	3,225,199	1,110,277	4,335,476	20.62	#	3,033.54
Gilgandra Council	RAM	4,256	4,832	1,294	2,433,664	1,381,382	3,815,046	571.82		1,067.53
Glen Innes Severn Council	RAL	8,924	5,480	1,094	2,716,584	1,371,923	4,088,507	304.41		1,254.04
Goulburn Mulwaree Council	URM	30,438	3,220	1,112	3,313,834	1,690,291	5,004,125	108.87		1,520.05
Greater Hume Shire Council	RAV	10,585	5,750	1,785	3,173,401	2,035,156	5,208,557	299.80		1,140.14
Griffith City Council	URS	26,648	1,639	1,244	3,793,458	1,620,717	5,414,175	142.35		1,302.83
Gunnedah Shire Council	RAV	12,628	4,987	1,366	2,881,542	1,583,887	4,465,429	228.19		1,159.51
Gwydir Shire Council	RAL	5,316	9,260	1,752	2,648,636	1,859,085	4,507,721	498.24		1,061.12
Hawkesbury City Council	UFM	66,402	2,775	908	2,702,268	1,710,333	4,412,601	40.70		1,883.63
Hay Shire Council	RAM	2,969	11,326	777	2,034,243	799,926	2,834,169	685.16		1,029.51
Hilltops Council	RAV	18,840	7,141	2,443	5,139,461	2,784,906	7,924,367	272.80		1,139.95
Hornsby Shire Council	UFV	149,242	455	561	3,076,869	1,370,536	4,447,405	20.62	#	2,443.02
Hunter's Hill Council	UDS	14,716	6	61	315,521	146,143	461,664	21.44		2,395.79
Inner West Council	UDV	195,113	35	424	4,022,489	1,347,393	5,369,882	20.62	#	3,177.81

## Distribution to councils in New South Wales for 2018–19 (continued)

New South Wales				2018–19 actual entitlement						
Council Name	Classification	Population	Council Area	Road Length	General Purpose	Local Road	Total	General Purpose	Min	Local Road
		Number	sq km	km	\$	\$	\$	\$ per capita	#	\$ per km
Inverell Shire Council	RAV	16,780	8,597	1,742	3,832,031	2,036,709	5,868,740	228.37		1,169.18
Junee Shire Council	RAL	6,555	2,030	828	1,891,285	924,544	2,815,829	288.53		1,116.60
Kempsey Shire Council	URS	29,536	3,376	1,060	4,134,738	1,824,435	5,959,173	139.99		1,721.17
Kiama Municipal Council	URS	22,378	258	235	1,150,471	508,468	1,658,939	51.41		2,163.69
Ku-Ring-Gai Council	UDV	124,898	85	439	2,574,923	1,111,609	3,686,532	20.62	#	2,532.14
Kyogle Council	RAL	8,927	3,584	1,085	2,706,498	1,610,522	4,317,020	303.18		1,484.35
Lachlan Council	RAL	6,213	14,964	3,339	5,639,324	3,347,152	8,986,476	907.67		1,002.44
Lake Macquarie City Council	URV	203,823	649	1,297	13,348,423	2,755,688	16,104,111	65.49		2,124.66
Lane Cove Municipal Council	UDM	38,782	11	93	799,538	283,346	1,082,884	20.62	#	3,046.73
Leeton Shire Council	RAV	11,420	1,167	873	3,203,114	1,032,194	4,235,308	280.48		1,182.35
Lismore City Council	URM	43,816	1,288	1,082	4,320,424	1,931,339	6,251,763	98.60		1,784.97
Liverpool City Council	UDV	217,736	306	871	6,510,888	2,249,845	8,760,733	29.90		2,583.06
Liverpool Plains Shire Council	RAL	7,887	5,082	1,195	2,336,977	1,363,028	3,700,005	296.31		1,140.61
Lockhart Shire Council	RAM	3,245	2,896	1,217	2,161,574	1,331,245	3,492,819	666.12		1,093.87
Lord Howe Island Board	RTX	382	0	0	215,169	0	215,169	563.27		0.00
Maitland City Council	URL	81,235	392	669	5,573,756	1,372,437	6,946,193	68.61		2,051.48
Mid-Coast Council	URL	92,569	10,053	3,240	12,343,687	5,334,759	17,678,446	133.35		1,646.53
Mid-Western Regional Council	RAS	24,826	8,752	1,926	3,975,205	2,399,578	6,374,783	160.12		1,245.89
Moree Plains Shire Council	RAV	13,408	17,907	2,637	4,806,134	2,853,973	7,660,107	358.45		1,082.28
Mosman Municipal Council	UDM	30,465	9	85	651,449	235,663	887,112	21.38		2,772.51
Murray River Council	RAV	11,960	11,864	2,586	5,263,101	2,927,764	8,190,865	440.06		1,132.16

## Distribution to councils in New South Wales for 2018–19 (continued)

New South Wales				2018–19 actual entitlement						
Council Name	Classification	Population	Council Area	Road Length	General Purpose	Local Road	Total	General Purpose	Min	Local Road
		Number	sq km	km	\$	\$	\$	\$ per capita	#	\$ per km
Murrumbidgee Council	RAM	3,952	6,883	1,557	2,742,599	1,585,147	4,327,746	693.98		1,018.08
Muswellbrook Shire Council	RAV	16,427	3,405	574	2,538,496	908,765	3,447,261	154.53		1,583.21
Nambucca Valley Council	RAV	19,625	1,491	672	2,702,421	1,209,066	3,911,487	137.70		1,799.21
Narrabri Shire Council	RAV	13,387	13,015	2,130	4,800,731	2,319,764	7,120,495	358.61		1,089.09
Narrandera Shire Council	RAL	5,951	4,116	1,479	3,143,897	1,568,386	4,712,283	528.30		1,060.44
Narromine Shire Council	RAL	6,554	5,262	1,369	2,863,635	1,430,518	4,294,153	436.93		1,044.94
Newcastle City Council	URV	162,480	187	764	10,438,729	1,802,867	12,241,596	64.25		2,359.77
North Sydney Council	UDL	73,077	11	143	1,506,570	479,010	1,985,580	20.62	#	3,349.72
Northern Beaches Council	UDV	269,378	254	815	5,553,554	2,230,376	7,783,930	20.62	#	2,736.66
Oberon Council	RAL	5,430	3,625	835	1,729,745	919,170	2,648,915	318.55		1,100.80
Orange City Council	URM	41,636	284	448	3,397,559	1,133,498	4,531,057	81.60		2,530.13
Parkes Shire Council	RAV	14,920	5,958	1,929	4,108,503	2,103,436	6,211,939	275.37		1,090.43
Penrith City Council	UFV	204,785	405	1,028	8,503,029	2,393,828	10,896,857	41.52		2,328.63
Port Macquarie Hastings Council	URL	81,202	3,683	1,244	6,285,005	2,872,411	9,157,416	77.40		2,309.01
Port Stephens Council	URL	71,716	858	654	5,367,491	1,227,405	6,594,896	74.84		1,876.77
Queanbeyan–Palerang Regional Council	URM	59,136	5,319	1,391	3,604,713	2,402,370	6,007,083	60.96		1,727.08
Randwick City Council	UDV	151,993	36	277	3,133,519	970,148	4,103,667	20.62	#	3,502.34
Richmond Valley Council	URS	23,195	3,047	1,003	3,416,654	1,576,017	4,992,671	147.30		1,571.30
Shoalhaven City Council	URL	102,811	4,567	1,588	8,831,858	3,368,116	12,199,974	85.90		2,120.98
Silverton Village Committee Incorporated	RTX	50	0	0	33,339	0	33,339	666.78		0.00

## Distribution to councils in New South Wales for 2018–19 (continued)

New South Wales				2018–19 actual entitlement						
Council Name	Classification	Population	Council Area	Road Length	General Purpose	Local Road	Total	General Purpose	Min	Local Road
		Number	sq km	km	\$	\$	\$	\$ per capita	#	\$ per km
Singleton Council	URS	23,496	4,893	785	2,382,118	1,283,160	3,665,278	101.38		1,634.60
Snowy Monaro Regional Council	URS	20,713	15,164	2,312	6,656,977	2,743,004	9,399,981	321.39		1,186.42
Snowy Valleys Council	RAV	14,582	8,959	1,019	4,210,144	1,370,960	5,581,104	288.72		1,345.40
Strathfield Municipal Council	UDM	43,585	14	86	898,557	291,873	1,190,430	20.62	#	3,393.87
Sutherland Shire Council	UDV	227,073	334	802	4,681,383	2,022,458	6,703,841	20.62	#	2,521.77
Tamworth Regional Council	URM	61,554	9,884	2,933	6,183,977	4,171,196	10,355,173	100.46		1,422.16
Temora Shire Council	RAL	6,258	2,802	1,237	2,220,564	1,298,851	3,519,415	354.84		1,050.00
Tenterfield Shire Council	RAL	6,629	7,323	1,449	3,062,746	1,642,252	4,704,998	462.02		1,133.37
The Council of Camden	UFL	87,250	201	625	2,429,634	1,375,474	3,805,108	27.85		2,200.76
The Council of the City of Sydney	UCC	233,217	27	301	4,808,049	1,361,114	6,169,163	20.62	#	4,521.97
The Hills Shire Council	UFV	167,296	386	841	3,449,090	1,878,748	5,327,838	20.62	#	2,233.95
Tibooburra Village Committee Incorporated	RTX	134	0	0	74,867	0	74,867	558.71		0.00
Tweed Shire Council	URL	94,547	1,308	1,105	7,694,711	2,853,409	10,548,120	81.39		2,582.27
Upper Hunter Shire Council	RAV	14,316	8,096	1,581	2,986,429	1,934,898	4,921,327	208.61		1,223.84
Upper Lachlan Shire Council	RAL	7,895	7,127	1,734	2,748,275	1,891,833	4,640,108	348.10		1,091.02
Uralla Shire Council	RAL	6,115	3,227	792	1,575,985	937,399	2,513,384	257.72		1,183.58
Wagga Wagga City Council	URM	64,416	4,825	2,111	6,965,886	3,224,794	10,190,680	108.14		1,527.61
Walcha Council	RAM	3,157	6,261	822	1,330,708	930,619	2,261,327	421.51		1,132.14
Walgett Shire Council	RAL	6,231	22,308	1,814	4,320,156	1,943,045	6,263,201	693.33		1,071.14

## Distribution to councils in New South Wales for 2018–19 (continued)

New South Wales				2018–19 actual entitlement						
Council Name	Classification	Population	Council Area	Road Length	General Purpose	Local Road	Total	General Purpose	Min	Local Road
		Number	sq km	km	\$	\$	\$	\$ per capita	#	\$ per km
Warren Shire Council	RAM	2,769	10,754	964	1,757,095	1,030,416	2,787,511	634.56		1,068.90
Warrumbungle Shire Council	RAL	9,421	12,372	2,276	4,547,856	2,442,719	6,990,575	482.74		1,073.25
Waverley Council	UDL	73,176	9	113	1,508,611	436,877	1,945,488	20.62	#	3,866.17
Weddin Shire Council	RAM	3,662	3,415	957	1,662,836	999,086	2,661,922	454.08		1,043.98
Wentworth Shire Council	RAL	6,955	26,256	1,945	4,125,683	2,010,022	6,135,705	593.20		1,033.43
Willoughby City Council	UDL	79,574	22	200	1,640,514	590,497	2,231,011	20.62	#	2,952.49
Wingecarribee Shire Council	URM	49,710	2,689	1,051	3,160,430	1,861,941	5,022,371	63.58		1,771.59
Wollondilly Shire Council	UFM	50,877	2,555	740	2,375,964	1,372,618	3,748,582	46.70		1,854.89
Wollongong City Council	URV	213,841	684	955	16,023,862	2,423,184	18,447,046	74.93		2,537.37
Yass Valley Council	RAV	16,802	3,995	1,063	1,654,372	1,348,018	3,002,390	98.46		1,268.13

Notes to Table 44:

a population estimates provided by the Local Government Grants Commission in each State and the Northern Territory.

\* Indigenous local governing body

# minimum grant



Table 45 Distribution to councils in Victoria for 2018–19

Victoria			2018–19 actual entitlement							
Council Name	Classification	Population	Council Area	Road Length	General Purpose	Local Road	Total	General Purpose	Min	Local Road
		Number	sq km	km	\$	\$	\$	\$ per capita	#	\$ per km
Alpine Shire	RAV	12,987	4,788	859	2,618,347	1,078,965	3,697,312	201.61		1,256.07
Ararat Rural City Council	RAV	11,723	4,211	2,314	3,602,095	2,219,844	5,821,939	307.27		959.31
Ballarat City Council	URL	105,328	739	1,410	10,619,759	2,328,523	12,948,282	100.83		1,651.43
Banyule City Council	UDV	129,341	63	546	2,760,829	938,574	3,699,403	21.35		1,719.00
Bass Coast Shire Council	UFM	34,223	866	931	4,594,955	1,403,077	5,998,032	134.27		1,507.06
Baw Baw Shire Council	URM	50,505	4,028	1,995	6,287,232	2,726,706	9,013,938	124.49		1,366.77
Bayside City Council	UDL	104,030	37	356	2,142,882	563,456	2,706,338	20.60	#	1,582.74
Benalla Rural City Council	RAV	13,960	2,353	1,333	2,689,165	1,481,139	4,170,304	192.63		1,111.13
Borough of Queenscliffe	UFS	2,934	9	43	210,036	57,994	268,030	71.59		1,348.70
Brimbank City Council	UDV	208,443	123	894	12,504,271	1,720,476	14,224,747	59.99		1,924.47
Buloke Shire Council	RAL	6,151	8,000	5,313	3,789,493	2,430,085	6,219,578	616.08		457.38
Campaspe Shire Council	URM	37,463	4,519	4,041	7,540,111	3,984,101	11,524,212	201.27		985.92
Cardinia Shire Council	UFL	102,516	1,283	1,523	8,795,558	2,568,884	11,364,442	85.80		1,686.73
Casey City Council	UDV	327,380	409	1,643	17,568,239	2,481,623	20,049,862	53.66		1,510.67
Central Goldfields Shire Council	RAV	13,073	1,533	1,320	2,773,706	1,199,341	3,973,047	212.17		908.94
City of Boroondara	UDV	179,446	60	561	3,696,353	902,016	4,598,369	20.60	#	1,607.87
City of Darebin	UDV	158,553	54	514	3,265,985	883,407	4,149,392	20.60	#	1,718.69
City of Glen Eira	UDV	151,746	39	433	3,125,769	643,603	3,769,372	20.60	#	1,486.38
City of Greater Dandenong	UDV	164,148	130	685	10,247,828	1,546,070	11,793,898	62.43		2,257.04
City of Greater Geelong	URV	244,798	1,248	2,164	17,403,245	3,316,807	20,720,052	71.09		1,532.72

## Distribution to councils in Victoria for 2018–19 (continued)

Victoria			2018–19 actual entitlement							
Council Name	Classification	Population	Council Area	Road Length	General Purpose	Local Road	Total	General Purpose	Min	Local Road
		Number	sq km	km	\$	\$	\$	\$ per capita	#	\$ per km
City of Knox	UDV	162,116	114	722	6,326,055	1,113,297	7,439,352	39.02		1,541.96
City of Maribyrnong	UDL	89,705	31	306	2,197,351	543,715	2,741,066	24.50		1,776.85
City of Port Phillip	UDL	110,397	21	215	2,274,034	421,812	2,695,846	20.60	#	1,961.92
City of Whittlesea	UFV	216,438	490	1,281	12,543,900	2,153,084	14,696,984	57.96		1,680.78
Colac Otway Shire	URS	21,436	3,438	1,621	4,062,021	2,587,206	6,649,227	189.50		1,596.06
Corangamite Shire Council	RAV	16,086	4,408	2,366	4,367,854	3,471,817	7,839,671	271.53		1,467.38
East Gippsland Shire Council	URM	45,960	20,940	2,966	10,281,589	4,549,426	14,831,015	223.71		1,533.86
Frankston City Council	UDV	140,708	130	702	7,200,000	1,130,020	8,330,020	51.17		1,609.72
Gannawarra Shire Council	RAV	10,563	3,735	2,272	3,542,717	2,002,010	5,544,727	335.39		881.17
Glenelg Shire Council	RAV	19,644	6,219	2,637	4,654,389	3,453,677	8,108,066	236.94		1,309.70
Golden Plains Shire Council	RAV	22,480	2,703	1,883	3,676,919	2,025,859	5,702,778	163.56		1,075.87
Greater Bendigo City Council	URL	113,617	3,000	3,115	12,941,937	3,411,608	16,353,545	113.91		1,095.22
Greater Shepparton City Council	URM	65,593	2,422	2,519	9,359,945	3,088,937	12,448,882	142.70		1,226.40
Hepburn Shire Council	RAV	15,668	1,473	1,409	3,197,233	1,471,679	4,668,912	204.06		1,044.48
Hindmarsh Shire Council	RAL	5,677	7,524	3,177	2,857,436	1,641,758	4,499,194	503.34		516.76
Hobsons Bay City Council	UDL	94,984	64	432	1,977,919	724,831	2,702,750	20.82		1,677.85
Horsham Rural City Council	RAV	19,833	4,267	2,977	4,190,853	2,169,774	6,360,627	211.31		728.85
Hume City Council	UFV	215,928	504	1,268	13,364,157	2,458,498	15,822,655	61.89		1,938.88
Indigo Shire Council	RAV	16,220	2,040	1,571	3,041,859	1,623,157	4,665,016	187.54		1,033.20
Kingston City Council	UDV	161,089	91	614	3,318,223	1,242,539	4,560,762	20.60	#	2,023.68
Latrobe City Council	URL	74,612	1,426	1,582	9,241,026	2,582,472	11,823,498	123.85		1,631.90

## Distribution to councils in Victoria for 2018–19 (continued)

Victoria				2018–19 actual entitlement						
Council Name	Classification	Population	Council Area	Road Length	General Purpose	Local Road	Total	General Purpose	Min	Local Road
		Number	sq km	km	\$	\$	\$	\$ per capita	#	\$ per km
Loddon Shire Council	RAL	7,505	6,696	4,720	5,128,816	3,627,020	8,755,836	683.39		768.44
Macedon Ranges Shire Council	URM	48,438	1,748	1,671	5,308,972	2,189,237	7,498,209	109.60		1,310.14
Manningham City Council	UDV	124,517	113	598	2,564,888	814,810	3,379,698	20.60	#	1,362.56
Mansfield Shire Council	RAL	9,001	3,844	810	1,919,258	898,645	2,817,903	213.23		1,109.44
Maroondah City Council	UDL	116,489	61	476	4,072,729	771,977	4,844,706	34.96		1,621.80
Melbourne City Council (City of Melbourne)	UCC	159,992	37	241	3,295,626	711,965	4,007,591	20.60	#	2,950.54
Melton City Council	UFV	148,896	528	1,085	13,525,205	1,915,363	15,440,568	90.84		1,765.31
Mildura Rural City Council	URM	55,071	22,083	5,226	10,981,001	4,108,691	15,089,692	199.40		786.20
Mitchell Shire Council	URM	42,795	2,862	1,480	5,521,558	1,783,724	7,305,282	129.02		1,205.22
Moira Shire Council	URS	29,465	4,046	3,650	6,929,948	3,865,761	10,795,709	235.19		1,059.11
Monash City Council	UDV	196,789	82	751	4,053,596	1,225,118	5,278,714	20.60	#	1,631.32
Moonee Valley City Council	UDV	125,425	43	420	2,583,591	698,828	3,282,419	20.60	#	1,663.88
Moorabool Shire Council	URM	33,418	2,111	1,520	4,475,358	1,946,930	6,422,288	133.92		1,281.28
Moreland City Council	UDV	176,589	51	520	4,142,116	924,770	5,066,886	23.46		1,778.40
Mornington Peninsula Shire Council	UFV	163,151	724	1,700	3,383,862	2,445,086	5,828,948	20.74		1,438.29
Mount Alexander Shire Council	RAV	19,171	1,530	1,428	3,239,863	1,643,909	4,883,772	169.00		1,151.20
Murrindindi Shire Council	RAV	14,167	3,880	1,197	2,951,475	1,645,520	4,596,995	208.33		1,374.70
Nillumbik Shire Council	UFM	64,720	432	767	1,879,293	1,122,793	3,002,086	29.04		1,463.88
Northern Grampians Shire Council	RAV	11,498	5,730	3,423	4,560,257	2,822,324	7,382,581	396.61		824.52
Pyrenees Shire Council	RAL	7,347	3,435	2,036	3,291,719	2,118,922	5,410,641	448.04		1,040.73

## Distribution to councils in Victoria for 2018–19 (continued)

Victoria			2018–19 actual entitlement							
Council Name	Classification	Population	Council Area	Road Length	General Purpose	Local Road	Total	General Purpose	Min	Local Road
		Number	sq km	km	\$	\$	\$	\$ per capita	#	\$ per km
Shire of Moyne	RAV	16,741	5,482	2,748	4,447,072	4,128,563	8,575,635	265.64		1,502.39
Shire of Strathbogie	RAV	10,455	3,303	2,242	3,188,784	2,186,742	5,375,526	305.00		975.35
Shire of Towong	RAL	5,974	6,675	1,183	2,867,433	1,771,534	4,638,967	479.99		1,497.49
South Gippsland Shire Council	URS	29,124	3,296	2,091	5,923,999	3,622,172	9,546,171	203.41		1,732.27
Southern Grampians Shire Council	RAV	16,051	6,654	3,005	4,390,908	3,015,654	7,406,562	273.56		1,003.55
Stonnington City Council	UDL	114,138	26	339	2,351,094	452,945	2,804,039	20.60	#	1,336.12
Surf Coast Shire	UFM	31,324	1,553	1,113	2,710,555	1,596,593	4,307,148	86.53		1,434.50
Swan Hill Rural City Council	URS	20,849	6,115	3,488	4,556,989	2,178,519	6,735,508	218.57		624.58
Wangaratta Rural City Council	URS	28,824	3,645	1,961	4,770,244	2,360,639	7,130,883	165.50		1,203.79
Warrnambool City Council	URM	34,555	121	332	3,087,345	645,623	3,732,968	89.35		1,944.65
Wellington Shire Council	URM	43,747	10,817	3,023	8,743,349	4,794,904	13,538,253	199.86		1,586.21
West Wimmera Shire Council	RAM	3,867	9,108	2,809	3,174,135	2,321,088	5,495,223	820.83		826.30
Whitehorse City Council	UDV	173,514	64	633	3,574,162	1,019,932	4,594,094	20.60	#	1,611.22
Wodonga City Council	URM	40,564	433	500	4,304,173	821,925	5,126,098	106.11		1,643.85
Wyndham City Council	UFV	241,902	542	1,447	15,490,263	2,281,264	17,771,527	64.04		1,576.55
Yarra City Council	UDL	96,368	20	215	1,985,055	393,619	2,378,674	20.60	#	1,830.79
Yarra Ranges Shire Council	UFV	156,982	2,468	1,754	10,699,498	3,260,395	13,959,893	68.16		1,858.83
Yarriambiack Shire Council	RAL	6,673	7,326	4,871	3,265,366	2,009,630	5,274,996	489.34		412.57

Notes to Table 45:

a population estimates provided by the Local Government Grants Commission in each State and the Northern Territory.

\* Indigenous local governing body

# minimum grant

Table 46 Distribution to councils in Queensland for 2018–19

Queensland		2018–19 actual entitlement								
Council Name	Classification	Population	Council Area	Road Length	General Purpose	Local Road	Total	General Purpose	Min	Local Road
		Number	sq km	km	\$	\$	\$	\$ per capita	#	\$ per km
Aurukun Shire Council*	RTM	1,343	7,424	102	2,034,799	74,199	2,108,998	1,515.11		727.44
Balonne Shire Council	RAM	4,391	31,104	2,605	3,966,634	1,575,778	5,542,412	903.36		604.91
Banana Shire Council	RAV	14,521	28,550	3,990	4,922,542	2,496,138	7,418,680	338.99		625.60
Barcaldine Regional Council	RTM	2,853	53,383	2,986	5,501,491	1,783,154	7,284,645	1,928.32		597.17
Barcoo Shire Council	RTX	272	61,830	1,666	2,781,776	980,908	3,762,684	10,227.12		588.78
Blackall-Tambo Regional Council	RTM	1,889	30,537	1,867	2,988,934	1,115,926	4,104,860	1,582.28		597.71
Boulia Shire Council	RTS	431	60,906	1,329	2,239,311	784,756	3,024,067	5,195.62		590.49
Brisbane City Council	UCC	1,206,607	1,343	5,767	24,858,023	16,165,691	41,023,714	20.60	#	2,803.14
Bulloo Shire Council	RTX	350	73,724	1,990	5,565,608	1,171,939	6,737,547	15,901.74		588.91
Bundaberg Regional Council	URL	94,858	6,433	3,026	5,278,285	2,781,136	8,059,421	55.64		919.08
Burdekin Shire Council	RAV	17,215	5,044	1,148	2,658,640	856,273	3,514,913	154.44		745.88
Burke Shire Council	RTX	347	39,684	713	2,609,938	422,243	3,032,181	7,521.44		592.21
Cairns Regional Council	URV	164,536	1,689	1,336	3,389,703	2,527,036	5,916,739	20.60	#	1,891.49
Carpentaria Shire Council	RTM	2,004	64,121	1,638	3,851,998	982,816	4,834,814	1,922.15		600.01
Cassowary Coast Regional Council	URS	29,680	4,688	1,203	2,631,087	1,020,588	3,651,675	88.65		848.37
Central Highlands Regional Council	URS	28,684	59,835	4,574	6,422,780	2,988,988	9,411,768	223.92		653.47
Charters Towers Regional Council	RAV	11,949	68,382	3,797	3,806,410	2,355,595	6,162,005	318.55		620.38
Cherbourg Aboriginal Shire Council*	RTM	1,314	32	70	600,143	55,011	655,154	456.73		785.87

## Distribution to councils in Queensland for 2018–19 (continued)

Queensland		2018–19 actual entitlement								
Council Name	Classification	Population	Council Area	Road Length	General Purpose	Local Road	Total	General Purpose	Min	Local Road
		Number	sq km	km	\$	\$	\$	\$ per capita	#	\$ per km
Cloncurry Shire Council	RTL	3,123	47,971	1,571	4,617,362	955,335	5,572,697	1,478.50		608.11
Cook Shire Council	RTL	4,461	105,724	2,927	8,422,592	1,765,549	10,188,141	1,888.05		603.19
Croydon Shire Council	RTX	294	29,498	1,088	3,255,314	641,825	3,897,139	11,072.50		589.91
Diamantina Shire Council	RTX	288	94,731	1,061	2,479,419	625,912	3,105,331	8,609.09		589.93
Doomadgee Aboriginal Shire Council*	RTM	1,492	1,828	113	1,354,496	82,139	1,436,635	907.84		726.89
Douglas Shire Council	RAV	12,186	2,428	425	1,078,785	378,719	1,457,504	88.53		891.10
Etheridge Shire Council	RTS	821	39,199	1,769	4,245,883	1,047,189	5,293,072	5,171.60		591.97
Flinders Shire Council	RTM	1,521	41,200	1,992	5,548,326	1,185,516	6,733,842	3,647.81		595.14
Fraser Coast Regional Council	URL	103,998	7,103	2,620	4,694,194	2,639,603	7,333,797	45.14		1,007.48
Gladstone Regional Council	URM	63,052	10,484	2,647	5,297,813	2,221,760	7,519,573	84.02		839.35
Gold Coast City Council	URV	592,330	1,334	3,232	12,202,939	8,171,204	20,374,143	20.60	#	2,528.22
Goondiwindi Regional Council	RAV	10,785	19,258	2,484	4,548,194	1,572,468	6,120,662	421.71		633.04
Gympie Regional Council	URM	51,013	6,884	2,282	3,469,962	1,879,972	5,349,934	68.02		823.83
Hinchinbrook Shire Council	RAV	10,900	2,807	693	1,414,550	522,277	1,936,827	129.78		753.65
Hope Vale Aboriginal Shire Council*	RTS	990	1,107	132	1,058,337	87,977	1,146,314	1,069.03		666.49
Ipswich City Council	URV	206,467	1,085	1,749	4,253,548	3,213,614	7,467,162	20.60	#	1,837.40
Isaac Regional Council	URS	21,199	58,708	3,254	3,147,663	2,134,801	5,282,464	148.48		656.05
Kowanyama Aboriginal Shire Council*	RTS	984	2,555	352	1,563,137	217,334	1,780,471	1,588.55		617.43
Livingstone Shire Council	UFM	37,393	11,758	1,457	2,636,692	1,251,394	3,888,086	70.51		858.88

## Distribution to councils in Queensland for 2018–19 (continued)

Queensland			2018–19 actual entitlement							
Council Name	Classification	Population	Council Area sq km	Road Length km	General Purpose	Local Road	Total	General Purpose	Min	Local Road
		Number			\$	\$	\$	\$ per capita		
Lockhart River Aboriginal Shire Council*	RTS	769	3,575	176	1,671,841	111,466	1,783,307	2,174.05		633.33
Lockyer Valley Regional Council	URM	40,189	2,269	1,455	3,170,139	1,279,834	4,449,973	78.88		879.61
Logan City Council	URV	319,652	958	2,433	6,585,340	4,813,993	11,399,333	20.60	#	1,978.62
Longreach Regional Council	RTL	3,598	40,572	2,748	5,843,635	1,651,326	7,494,961	1,624.13		600.92
Mackay Regional Council	URL	117,064	7,613	2,489	3,317,428	2,701,091	6,018,519	28.34		1,085.21
Mapoon Aboriginal Shire Council*	RTX	326	537	57	1,175,405	36,915	1,212,320	3,605.54		647.63
Maranoa Regional Council	RAV	12,843	58,719	5,826	13,719,602	3,556,191	17,275,793	1,068.26		610.40
Mareeba Shire Council	URS	22,311	53,502	2,301	5,795,598	1,587,118	7,382,716	259.76		689.75
McKinlay Shire Council	RTS	790	40,737	1,633	4,409,604	967,022	5,376,626	5,581.78		592.18
Moreton Bay Regional Council	URV	448,118	2,042	3,680	9,231,943	6,906,735	16,138,678	20.60	#	1,876.83
Morrington Shire Council*	RTM	1,203	1,248	158	2,297,116	105,496	2,402,612	1,909.49		667.70
Mount Isa City Council	RTL	18,899	43,713	2,033	4,829,140	1,393,650	6,222,790	255.52		685.51
Murweh Shire Council	RTL	4,309	40,700	2,782	5,364,624	1,678,817	7,043,441	1,244.98		603.46
Napranum Aboriginal Shire Council*	RTM	1,028	2,004	173	1,143,911	112,449	1,256,360	1,112.75		649.99
Noosa Shire Council	URM	54,736	870	871	1,127,649	1,091,076	2,218,725	20.60	#	1,252.67
North Burnett Regional Council	RAV	10,632	19,670	4,162	8,647,839	2,555,919	11,203,758	813.38		614.11
Northern Peninsula Area Regional Council	RTL	3,008	1,052	363	4,115,188	244,960	4,360,148	1,368.08		674.82

## Distribution to councils in Queensland for 2018–19 (continued)

Queensland			2018–19 actual entitlement							
Council Name	Classification	Population	Council Area sq km	Road Length km	General Purpose	Local Road	Total	General Purpose	Min	Local Road
		Number			\$	\$	\$	\$ per capita		
Palm Island Aboriginal Shire Council*	RTM	2,634	72	38	1,280,823	50,207	1,331,030	486.27		1,321.24
Paroo Shire Council	RTM	1,665	47,613	2,259	4,109,751	1,343,784	5,453,535	2,468.32		594.86
Pormpuraaw Aboriginal Shire Council*	RTS	807	4,395	566	1,443,089	340,906	1,783,995	1,788.21		602.31
Quilpie Shire Council	RTS	821	67,415	2,082	3,752,209	1,230,936	4,983,145	4,570.29		591.23
Redland City Council	URV	154,312	537	1,195	3,179,072	2,335,971	5,515,043	20.60	#	1,954.79
Richmond Shire Council	RTS	794	26,581	1,296	2,832,420	769,228	3,601,648	3,567.28		593.54
Rockhampton Regional Council	URL	81,446	6,570	2,019	5,989,375	2,047,918	8,037,293	73.54		1,014.32
Scenic Rim Regional Council	UFM	41,735	4,252	1,808	1,661,566	1,503,438	3,165,004	39.81		831.55
Somerset Regional Council	UFS	25,545	5,373	1,862	1,993,391	1,363,657	3,357,048	78.03		732.36
South Burnett Regional Council	URM	32,707	8,382	3,277	4,670,486	2,270,193	6,940,679	142.80		692.77
Southern Downs Regional Council	URM	35,542	7,108	3,068	4,373,658	2,177,527	6,551,185	123.06		709.75
Sunshine Coast Regional Council	URV	311,551	2,254	2,971	6,418,446	5,044,022	11,462,468	20.60	#	1,697.75
Tablelands Regional Council	URS	25,425	11,282	1,845	4,801,383	1,352,406	6,153,789	188.84		733.01
Toowoomba Regional Council	URV	166,409	12,957	6,621	7,997,988	5,649,440	13,647,428	48.06		853.26
Torres Shire Council	RTL	3,798	884	299	3,298,572	215,756	3,514,328	868.50		721.59
Torres Strait Island Regional Council*	RTL	4,871	490	369	10,720,139	268,215	10,988,354	2,200.81		726.87
Townsville City Council	URV	193,601	3,731	1,753	3,988,488	3,079,688	7,068,176	20.60	#	1,756.81



## Distribution to councils in Queensland for 2018–19 (continued)

Queensland			2018–19 actual entitlement							
Council Name	Classification	Population	Council Area	Road Length	General Purpose	Local Road	Total	General Purpose	Min	Local Road
		Number	sq km	km	\$	\$	\$	\$ per capita	#	\$ per km
Western Downs Regional Council	URM	34,575	37,923	7,526	11,990,836	4,784,360	16,775,196	346.81		635.71
Whitsunday Regional Council	URM	34,831	23,819	1,842	3,815,489	1,450,272	5,265,761	109.54		787.34
Winton Shire Council	RTM	1,144	53,814	2,488	4,018,524	1,472,701	5,491,225	3,512.70		591.92
Woorabinda Aboriginal Shire Council*	RTS	994	391	56	544,487	43,562	588,049	547.77		777.89
Wujal Wujal Aboriginal Shire Council*	RTX	300	12	18	499,097	13,745	512,842	1,663.66		763.61
Yarrabah Aboriginal Shire Council*	RTM	2,801	159	56	940,414	62,468	1,002,882	335.74		1,115.50

Notes to Table 46:

a population estimates provided by the Local Government Grants Commission in each State and the Northern Territory.

\* Indigenous local governing body

# minimum grant

Table 47 Distribution to councils in Western Australia for 2018–19

Western Australia	2018–19 actual entitlement										Special Works Included in per km
	Classification	Population	Council Area sq km	Road Length km	General Purpose \$	Local Road \$	Total \$	General Purpose \$ per capita	Min	Local Road \$ per km	
Council Name	Number								#		
City of Albany	URM	37,686	4,311	1,599	2,158,340	1,988,263	4,146,603	57.27		1,243.54	SW
City of Armadale	UFM	85,003	560	763	1,748,571	1,435,624	3,184,195	20.57	#	1,882.54	
City of Bayswater	UDM	68,720	35	348	1,413,619	788,487	2,202,106	20.57	#	2,263.52	
City of Belmont	UDM	41,378	40	229	851,175	543,369	1,394,544	20.57	#	2,367.94	
City of Bunbury	URM	32,244	65	321	663,281	1,185,457	1,848,738	20.57	#	3,694.85	SW
City of Busselton	URM	38,300	1,454	1,100	787,858	1,448,822	2,236,680	20.57	#	1,316.92	
City of Canning	UDL	93,214	65	578	1,917,477	1,325,353	3,242,830	20.57	#	2,292.18	
City of Cockburn	UDL	110,710	168	839	2,277,382	1,629,306	3,906,688	20.57	#	1,941.52	
City of Fremantle	UDM	30,925	19	177	636,149	402,647	1,038,796	20.57	#	2,277.42	
City of Gosnells	UDV	123,140	127	778	2,533,076	1,847,467	4,380,543	20.57	#	2,375.75	SW
City of Greater Geraldton	URM	39,046	9,909	2,078	3,804,124	2,014,821	5,818,945	97.43		969.48	
City of Joondalup	UDV	160,507	99	1,020	3,301,741	2,197,444	5,499,185	20.57	#	2,153.43	
City of Kalamunda	UFM	59,391	324	618	1,221,715	1,339,549	2,561,264	20.57	#	2,166.76	SW
City of Kalgoorlie-Boulder	URM	30,695	95,498	1,372	809,897	1,718,343	2,528,240	26.39		1,252.76	SW
City of Karratha	URS	22,205	15,240	594	1,081,870	888,605	1,970,475	48.72		1,495.93	
City of Kwinana	UFM	42,147	120	421	866,993	779,812	1,646,805	20.57	#	1,852.92	
City of Mandurah	UFL	84,040	175	703	1,728,762	1,316,718	3,045,480	20.57	#	1,871.81	
City of Melville	UDL	102,252	53	528	2,103,395	1,107,934	3,211,329	20.57	#	2,097.08	
City of Nedlands	UDS	22,518	20	149	463,211	289,125	752,336	20.57	#	1,943.33	
City of Perth	UCC	27,432	14	110	564,295	453,295	1,017,590	20.57	#	4,138.17	
City of Rockingham	UFV	131,506	258	1,067	2,705,170	2,045,806	4,750,976	20.57	#	1,917.88	

## Distribution to councils in Western Australia for 2018–19 (continued)

Western Australia	2018–19 actual entitlement										Special Works Included in per km	
	Council Name	Classification	Population	Council Area sq km	Road Length km	General Purpose \$	Local Road \$	Total \$	General Purpose \$ per capita	Min #		Local Road \$ per km
City of South Perth	UDM	43,946	20	198	904,000	413,006	1,317,006	20.57	#	2,087.36	SW	
City of Stirling	UDV	219,975	105	1,048	4,525,040	2,184,465	6,709,505	20.57	#	2,084.17		
City of Subiaco	UDS	17,238	6	103	354,598	191,646	546,244	20.57	#	1,852.19		
City of Swan	UFV	140,440	1,043	1,498	2,888,949	3,098,594	5,987,543	20.57	#	2,068.20	SW	
City of Vincent	UDS	35,688	11	178	734,127	366,083	1,100,210	20.57	#	2,055.66		
City of Wanneroo	UFV	199,882	683	1,513	4,111,712	3,032,518	7,144,230	20.57	#	2,004.61		
Shire of Ashburton	RTL	13,261	100,816	1,614	2,734,593	1,153,271	3,887,864	206.21		714.65		
Shire of Augusta Margaret River	RSG	15,114	2,122	908	310,906	1,016,498	1,327,404	20.57	#	1,120.08		
Shire of Beverley	RAS	1,754	2,371	697	819,179	609,646	1,428,825	467.03		875.06	SW	
Shire of Boddington	RAS	1,832	1,905	265	107,353	307,574	414,927	58.60		1,159.08	SW	
Shire of Boyup Brook	RAS	1,717	2,827	1,020	730,491	770,979	1,501,470	425.45		755.79	SW	
Shire of Bridgetown Greenbushes	RAM	4,667	1,337	683	1,204,847	663,606	1,868,453	258.16		971.25		
Shire of Brookton	RAS	975	1,601	532	639,394	392,448	1,031,842	655.79		737.28	SW	
Shire of Broome	RTL	17,002	54,372	573	1,906,025	938,311	2,844,336	112.11		1,637.74	SW	
Shire of Broomehill-Tambellup	RAS	1,153	2,610	971	1,168,355	632,973	1,801,328	1,013.32		651.68		
Shire of Bruce Rock	RAS	950	2,725	1,173	1,597,842	896,697	2,494,539	1,681.94		764.45	SW	
Shire of Capel	URS	17,894	558	498	1,070,648	614,855	1,685,503	59.83		1,233.65		
Shire of Carnamah	RAS	546	2,871	643	878,575	397,192	1,275,767	1,609.11		617.35		
Shire of Carnarvon	RAL	5,592	46,575	1,515	3,686,522	1,264,278	4,950,800	659.25		834.50		
Shire of Chapman Valley	RAS	1,482	3,981	864	372,405	514,685	887,090	251.29		595.76		

## Distribution to councils in Western Australia for 2018–19 (continued)

Western Australia		2018–19 actual entitlement										Special Works Included in per km
Council Name	Classification	Population	Council Area sq km	Road Length km	General Purpose \$	Local Road \$	Total \$	General Purpose \$ per capita	Min #	Local Road \$ per km		
											Number	sq km
Shire of Chittering	RAL	5,623	1,220	440	784,881	463,269	1,248,150	139.58		1,053.00	SW	
Shire of Collie	RAL	8,840	1,710	396	1,189,066	1,055,969	2,245,035	134.51		2,668.97	SW	
Shire of Coolgardie	RTL	3,663	30,298	847	529,168	512,436	1,041,604	144.46		604.74		
Shire of Coorow	RAS	1,029	4,190	856	894,943	550,124	1,445,067	869.72		642.62		
Shire of Corrigin	RAS	1,165	2,681	1,061	1,124,864	681,729	1,806,593	965.55		642.27		
Shire of Cranbrook	RAS	1,096	3,276	1,015	731,618	1,162,031	1,893,649	667.53		1,145.26	SW	
Shire of Cuballing	RAS	876	1,195	555	563,978	330,392	894,370	643.81		595.30		
Shire of Cue	RTX	179	13,582	730	1,368,924	475,309	1,844,233	7,647.62		651.36		
Shire of Cunderdin	RAS	1,452	1,862	784	882,650	516,335	1,398,985	607.89		658.20		
Shire of Dalwallinu	RAS	1,438	7,224	1,912	1,556,018	1,132,511	2,688,529	1,082.07		592.17		
Shire of Dandaragan	RAM	3,290	6,712	1,195	738,660	867,853	1,606,513	224.52		726.37		
Shire of Dardanup	RAV	14,543	526	408	888,708	494,946	1,383,654	61.11		1,214.01		
Shire of Denmark	RAL	6,077	1,860	626	581,258	790,560	1,371,818	95.65		1,263.23	SW	
Shire of Derby West Kimberley	RTL	8,267	119,761	1,740	4,275,334	1,418,198	5,693,532	517.16		815.22	SW	
Shire of Donnybrook Balingup	RAL	5,981	1,560	672	1,294,639	1,532,954	2,827,593	216.46		2,279.55	SW	
Shire of Dowerin	RAS	699	1,863	939	878,011	543,361	1,421,372	1,256.10		578.44		
Shire of Dumbleyung	RAS	666	2,539	994	1,003,119	613,643	1,616,762	1,506.18		617.16		
Shire of Dundas	RTS	770	92,885	644	1,098,367	393,207	1,491,574	1,426.45		611.03		
Shire of East Pilbara	RTL	11,018	372,308	3,110	2,388,097	2,456,296	4,844,393	216.75		789.85	SW	
Shire of Esperance	RAV	14,414	44,798	4,260	2,224,904	2,856,945	5,081,849	154.36		670.68		

## Distribution to councils in Western Australia for 2018–19 (continued)

Western Australia		2018–19 actual entitlement										Special Works Included in per km
Council Name	Classification	Population	Council Area	Road Length	General Purpose	Local Road	Total	General Purpose	Min	Local Road	Special Works Included in per km	
		Number	sq km	km	\$	\$	\$	\$ per capita	#	\$ per km	SW	
Shire of Exmouth	RTM	2,810	6,488	286	1,467,310	418,853	1,886,163	522.17		1,466.16		
Shire of Gingin	RAL	5,287	3,208	866	882,724	854,043	1,736,767	166.96		986.34		
Shire of Gnowangerup	RAS	1,222	4,265	987	730,185	615,347	1,345,532	597.53		623.58		
Shire of Goomalling	RAS	1,034	1,835	589	381,232	366,873	748,105	368.70		622.85		
Shire of Halls Creek	RTL	3,559	133,061	1,420	3,458,533	1,124,668	4,583,201	971.77		792.03	SW	
Shire of Harvey	URS	27,418	1,728	849	1,715,982	1,151,826	2,867,808	62.59		1,356.69	SW	
Shire of Irwin	RAM	3,610	2,369	445	180,664	335,350	516,014	50.05		753.41		
Shire of Jerramungup	RAS	1,123	6,509	1,081	662,391	627,300	1,289,691	589.84		580.26		
Shire of Katanning	RAM	4,149	1,518	703	1,484,694	493,345	1,978,039	357.84		701.38		
Shire of Kellerberrin	RAS	1,216	1,915	945	1,372,717	571,695	1,944,412	1,128.88		604.71		
Shire of Kent	RAS	565	5,625	1,324	885,597	727,871	1,613,468	1,567.43		549.61		
Shire of Kojoonup	RAS	1,994	2,931	1,130	808,883	677,530	1,486,413	405.66		599.81		
Shire of Kondinin	RAS	868	7,441	1,337	1,205,387	793,151	1,998,538	1,388.69		593.38		
Shire of Koorda	RAS	420	2,832	1,067	1,229,813	631,008	1,860,821	2,928.13		591.17		
Shire of Kulin	RAS	762	4,719	1,437	1,149,115	837,767	1,986,882	1,508.02		583.20		
Shire of Lake Grace	RAS	1,272	11,886	2,281	1,334,981	1,290,164	2,625,145	1,049.51		565.64	SW	
Shire of Laverton	RTM	1,237	179,985	4,209	1,537,883	964,680	2,502,563	1,243.24		229.19		
Shire of Leonora	RTM	1,497	31,915	1,226	601,751	632,116	1,233,867	401.97		515.63		
Shire of Manjimup	RAL	9,299	7,030	1,312	2,834,254	1,784,468	4,618,722	304.79		1,360.55	SW	
Shire of Meekatharra	RTM	1,051	100,189	2,423	2,401,829	1,230,438	3,632,267	2,285.28		507.91		
Shire of Menzies	RTS	519	124,111	2,067	1,699,280	933,078	2,632,358	3,274.14		451.51	SW	

## Distribution to councils in Western Australia for 2018–19 (continued)

Western Australia		2018–19 actual entitlement										Special Works Included in per km
Council Name	Classification	Population	Council Area	Road Length	General Purpose	Local Road	Total	General Purpose	Min	Local Road	Special Works Included in per km	
		Number	sq km	km	\$	\$	\$	\$ per capita	#			\$ per km
Shire of Merredin	RAM	3,421	3,294	1,296	1,504,972	840,924	2,345,896	439.92		649.10	SW	
Shire of Mingenew	RAS	452	1,935	451	287,066	322,772	609,838	635.10		715.33		
Shire of Moora	RAM	2,444	3,763	935	855,178	737,744	1,592,922	349.91		789.17		
Shire of Morawa	RAS	742	3,511	973	1,044,271	567,138	1,611,409	1,407.37		582.65		
Shire of Mount Magnet	RTS	485	13,858	579	1,395,880	320,377	1,716,257	2,878.10		552.94		
Shire of Mount Marshall	RAS	530	10,195	1,676	1,461,511	871,099	2,332,610	2,757.57		519.70		
Shire of Mukinbudin	RAS	554	3,427	906	1,134,856	530,844	1,665,700	2,048.48		585.71		
Shire of Mundaring	UFM	38,948	643	671	1,258,189	1,054,157	2,312,346	32.30		1,571.15		
Shire of Murchison	RTX	161	45,046	1,647	2,736,522	885,891	3,622,413	16,997.03		538.00		
Shire of Murray	RAV	17,307	1,704	704	900,128	863,926	1,764,054	52.01		1,227.54		
Shire of Nannup	RAS	1,349	3,054	490	844,957	480,510	1,325,467	626.36		980.87		
Shire of Narembeen	RAS	825	3,809	1,410	1,231,604	798,803	2,030,407	1,492.85		566.47		
Shire of Narrogin	RAL	5,220	1,631	800	1,686,078	587,474	2,273,552	323.00		734.26		
Shire of Ngaanyatjaraku	RTM	1,718	159,822	1,329	3,220,895	1,205,722	4,426,617	1,874.79		907.16	SW	
Shire of Northam	RAV	11,259	1,431	753	2,566,234	790,288	3,356,522	227.93		1,049.67		
Shire of Northampton	RAM	3,265	12,544	1,071	848,069	710,247	1,558,316	259.75		663.07		
Shire of Nungarin	RAS	257	1,166	510	951,350	303,857	1,255,207	3,701.75		595.93		
Shire of Peppermint Grove	UDS	1,708	1	9	35,134	20,086	55,220	20.57	#	2,259.39		
Shire of Perenjori	RAS	608	8,301	1,436	1,126,988	837,825	1,964,813	1,853.60		583.50		
Shire of Pingelly	RAS	1,149	1,295	569	861,956	361,447	1,223,403	750.18		635.32		
Shire of Plantagenet	RAL	5,209	4,877	1,312	790,189	886,781	1,676,970	151.70		675.99		

## Distribution to councils in Western Australia for 2018–19 (continued)

Western Australia	2018–19 actual entitlement										Special Works Included in per km SW
	Classification	Population	Council Area	Road Length	General Purpose	Local Road	Total	General Purpose	Min	Local Road	
Council Name	Number	sq km	km	\$	\$	\$	\$	\$ per capita	#	\$ per km	
Shire of Quairading	RAS	1,015	2,017	863	1,193,589	558,398	1,751,987	1,175.95		647.38	
Shire of Ravensthorpe	RAS	1,701	9,842	1,228	1,087,205	745,986	1,833,191	639.16		607.55	
Shire of Sandstone	RTX	87	32,605	914	1,528,470	446,329	1,974,799	17,568.62		488.16	
Shire of Serpentine Jarrahdale	UFS	29,455	901	727	1,591,018	996,440	2,587,458	54.02		1,370.63	
Shire of Shark Bay	RTS	952	24,201	585	1,458,905	465,546	1,924,451	1,532.46		795.54	
Shire of Tammin	RAS	415	1,102	495	753,785	292,521	1,046,306	1,816.35		590.57	
Shire of Three Springs	RAS	593	2,657	692	701,758	457,778	1,159,536	1,183.40		661.21	
Shire of Toodyay	RAM	4,546	1,692	635	950,307	978,978	1,929,285	209.04		1,540.81	
Shire of Trayning	RAS	352	1,651	752	1,116,315	457,481	1,573,796	3,171.35		608.54	
Shire of Upper Gascoyne	RTX	282	57,810	1,877	2,785,339	921,011	3,706,350	9,877.09		490.64	
Shire of Victoria Plains	RAS	921	2,551	807	551,096	539,705	1,090,801	598.37		668.57	
Shire of Wagin	RAS	1,849	1,946	783	904,313	624,951	1,529,264	489.08		798.43	
Shire of Wandering	RAS	439	1,904	355	282,104	228,466	510,570	642.61		642.88	
Shire of Waroona	RAM	4,220	832	340	907,104	465,546	1,372,650	214.95		1,368.76	
Shire of West Arthur	RAS	801	2,832	855	456,272	516,654	972,926	569.63		604.43	
Shire of Westonia	RAS	309	3,319	881	775,527	508,099	1,283,626	2,509.80		576.99	
Shire of Wickiepin	RAS	727	2,041	868	1,036,243	512,257	1,548,500	1,425.37		590.17	
Shire of Williams	RAS	1,006	2,305	474	152,585	307,151	459,736	151.67		647.51	
Shire of Wiluna	RTS	732	181,297	1,909	1,766,451	870,263	2,636,714	2,413.18		455.95	
Shire of Wongan-Ballidu	RAS	1,327	3,365	1,320	1,234,918	795,525	2,030,443	930.61		602.69	
Shire of Woodanilling	RAS	420	1,129	523	522,682	308,051	830,733	1,244.48		588.48	

## Distribution to councils in Western Australia for 2018–19 (continued)

Western Australia		2018–19 actual entitlement										Special Works Included in per km
Council Name	Classification	Population	Council Area	Road Length	General Purpose	Local Road	Total	General Purpose	Min	Local Road		
											Number	
Shire of Wyalkatchem	RAS	513	1,595	724	1,058,669	444,672	1,503,341	2,063.68		614.14		
Shire of Wyndham East Kimberley	RTL	7,402	112,066	1,081	2,780,986	1,259,889	4,040,875	375.71		1,165.27	SW	
Shire of Yalgoo	RTX	349	27,950	1,133	1,778,894	590,916	2,369,810	5,097.12		521.45		
Shire of Yilgarn	RAS	1,164	30,429	2,729	1,294,685	1,420,082	2,714,767	1,112.27		520.41		
Shire of York	RAM	3,604	2,132	667	846,709	621,577	1,468,286	234.94		931.25		
Town of Bassendean	UDS	15,576	10	97	320,410	217,639	538,049	20.57	#	2,254.28		
Town of Cambridge	UDS	28,426	22	173	584,743	383,700	968,443	20.57	#	2,218.36		
Town of Claremont	UDS	10,557	5	47	217,165	105,237	322,402	20.57	#	2,228.65		
Town of Cottesloe	UDS	8,129	4	48	167,219	104,857	272,076	20.57	#	2,200.80		
Town of East Fremantle	UDS	7,864	3	37	161,768	74,181	235,949	20.57	#	2,024.76		
Town of Mosman Park	UDS	9,176	4	52	188,757	86,456	275,213	20.57	#	1,647.69		
Town of Port Hedland	RTL	14,979	18,417	458	873,448	802,241	1,675,689	58.31		1,751.58	SW	
Town of Victoria Park	UDM	36,690	18	176	754,739	372,142	1,126,881	20.57	#	2,115.26		

Notes to Table 47:

a population estimates provided by the Local Government Grants Commission in each State and the Northern Territory.

\* Indigenous local governing body

# minimum grant

SW special works included in local roads totals.



Table 48 Distribution to councils in South Australia for 2018–19

South Australia		2018–19 actual entitlement							Special Works Included in per km		
Council Name	Classification	Population	Council Area sq km	Road Length km	General Purpose	Local Road	Total	General Purpose	Min	Local Road	Special Works Included in per km
		Number			\$	\$	\$	\$ per capita	#	\$ per km	SW
Adelaide Hills Council	UFM	39,550	794	1,007	814,420	709,518	1,523,938	20.59	#	704.91	
Adelaide Plains Council	RAL	8,994	1,027	966	1,139,636	267,203	1,406,839	126.71		276.54	
Alexandrina Council	UFS	26,775	1,828	1,374	799,376	612,627	1,412,003	29.86		445.88	
Anangu Pitjantjatjara Inc*	RTM	2,526	0	3,185	1,192,784	154,563	1,347,347	472.20		48.53	
Barunga West Council	RAM	2,578	1,588	929	334,740	199,896	534,636	129.84		215.28	
Berri Barmera Council	RAV	10,838	509	471	2,311,518	717,833	3,029,351	213.28		1,523.94	SW
City of Burnside	UDM	45,690	27	235	940,856	492,198	1,433,054	20.59	#	2,097.04	
City of Charles Sturt	UDL	115,688	56	580	2,382,266	1,232,899	3,615,165	20.59	#	2,125.41	
City of Holdfast Bay	UDM	36,520	14	172	752,025	378,290	1,130,315	20.59	#	2,202.87	
City of Mitcham	UDM	66,693	76	404	1,373,353	776,872	2,150,225	20.59	#	1,923.49	
City of Mount Gambier	URS	27,012	34	226	2,665,590	410,804	3,076,394	98.68		1,815.55	
City of Onkaparinga	UFV	170,127	520	1,484	5,363,277	3,923,613	9,286,890	31.53		2,644.51	SW
City of Playford	UFL	92,191	358	832	9,513,101	1,331,882	10,844,983	103.19		1,601.10	
City of Port Adelaide Enfield	UDV	124,731	94	689	2,568,481	1,565,149	4,133,630	20.59	#	2,272.64	SW
City of Port Lincoln	URS	14,650	32	160	1,330,915	227,370	1,558,285	90.85		1,419.65	
City of Prospect	UDS	21,126	8	87	435,030	207,061	642,091	20.59	#	2,377.74	
City of Salisbury	UDV	142,024	166	828	6,669,482	1,927,105	8,596,587	46.96		2,327.03	SW
City of Victor Harbor	URS	15,180	387	401	312,589	277,635	590,224	20.59	#	692.32	
City of West Torrens	UDM	59,553	37	290	1,226,325	626,421	1,852,746	20.59	#	2,160.28	
Clare and Gilbert Valleys Council	RAL	9,311	1,893	1,833	729,801	400,942	1,130,743	78.38		218.75	

## Distribution to councils in South Australia for 2018–19 (continued)

South Australia			2018–19 actual entitlement							Special Works Included in per km	
Council Name	Classification	Population	Council Area	Road Length	General Purpose	Local Road	Total	General Purpose	Min		Local Road
		Number	sq km	km	\$	\$	\$	\$ per capita	#	\$ per km	SW
Coorong District Council	RAL	5,518	8,869	1,889	2,317,268	679,483	2,996,751	419.95		359.70	
Copper Coast Council	RAV	14,621	779	910	1,563,420	334,917	1,898,337	106.93		368.20	
Corporation of the City of Campbelltown	UDM	51,322	24	255	1,056,831	544,592	1,601,423	20.59	#	2,136.99	
Corporation of the City of Marion	UDL	91,446	56	474	1,883,071	989,883	2,872,954	20.59	#	2,086.58	
Corporation of the City of Norwood Payneham and St Peters	UDM	36,561	15	160	752,870	367,581	1,120,451	20.59	#	2,292.71	
Corporation of the City of Port Augusta	URS	14,284	1,194	411	2,683,739	291,109	2,974,848	187.88		708.88	
Corporation of the City of Tea Tree Gully	UDL	99,769	95	594	2,054,459	1,148,156	3,202,615	20.59	#	1,931.61	
Corporation of the City of Unley	UDM	39,026	14	165	803,629	386,128	1,189,757	20.59	#	2,345.26	
Corporation of the City of Whyalla	URS	21,997	1,077	283	3,987,431	391,195	4,378,626	181.27		1,383.60	
Corporation of the Town of Walkerville	UDS	7,908	4	35	162,842	79,995	242,837	20.59	#	2,273.42	
District Council of Ceduna	RAM	3,542	5,459	1,715	1,969,162	453,834	2,422,996	555.95		264.59	
District Council of Cleve	RAS	1,811	5,020	1,548	1,028,825	407,042	1,435,867	568.10		263.00	
District Council of Coober Pedy	URS	1,861	78	421	791,061	47,675	838,736	425.07		113.21	
District Council of Elliston	RAS	1,064	6,706	1,148	702,709	881,619	1,584,328	660.44		768.10	SW

## Distribution to councils in South Australia for 2018–19 (continued)

South Australia		2018–19 actual entitlement										Special Works Included in per km																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																										
Council Name	Classification	Population	Council Area sq km	Road Length km	General Purpose \$	Local Road \$	Total \$	General Purpose \$ per capita	Min	Local Road \$ per km																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												

## Distribution to councils in South Australia for 2018–19 (continued)

South Australia		2018–19 actual entitlement								Special Works Included in per km	
Council Name	Classification	Population	Council Area	Road Length	General Purpose	Local Road	Total	General Purpose	Min	Local Road	
		Number	sq km	km	\$	\$	\$	\$ per capita	#	\$ per km	
Gerard Community Council Aboriginal Corporation*	RTX	227	0	0	46,551	20,592	67,143	205.07		0.00	SW
Kangaroo Island Council	RAM	4,890	4,436	1,362	1,608,835	411,627	2,020,462	329.01		302.15	
Kingston District Council	RAM	2,440	3,345	769	519,159	262,029	781,188	212.77		340.64	
Light Regional Council	RAV	15,187	1,277	1,457	385,506	430,002	815,508	25.38		295.09	
Maralinga Tjarutja*	RTX	61	0	0	97,263	55,298	152,561	1,594.48		0.00	
Mid Murray Council	RAL	8,844	6,271	3,396	3,137,514	1,179,325	4,316,839	354.76		347.29	SW
Municipal Council of Roxby Downs	URS	3,979	110	39	127,277	65,717	192,994	31.99		1,703.51	
Naracoorte Lucindale Council	RAL	8,628	4,519	1,618	2,667,591	498,791	3,166,382	309.18		308.31	
Nipapanha Community Aboriginal Corporation*	RTX	102	0	0	29,861	20,503	50,364	292.75		0.00	
Northern Areas Council	RAM	4,585	2,987	2,203	1,360,759	413,699	1,774,458	296.78		187.80	
Outback Communities Authority	RTM	2,965	0	0	1,507,440	0	1,507,440	508.41		0.00	
Port Pirie Regional Council	RAV	17,754	1,800	1,367	3,962,672	480,541	4,443,213	223.20		351.56	
Regional Council of Goyder	RAM	4,227	6,715	3,248	2,557,255	788,129	3,345,384	604.98		242.65	SW
Renmark Paringa Council	RAL	9,825	903	479	2,435,694	1,205,681	3,641,375	247.91		2,515.55	SW
Rural City of Murray Bridge	URS	21,770	1,828	976	3,378,161	496,985	3,875,146	155.18		509.18	
Southern Mallee District Council	RAM	2,063	5,710	1,331	1,099,233	631,118	1,730,351	532.83		474.00	SW

## Distribution to councils in South Australia for 2018–19 (continued)

South Australia		2018–19 actual entitlement								Special Works Included in per km	
Council Name	Classification	Population	Council Area sq km	Road Length km	General Purpose \$	Local Road \$	Total \$	General Purpose \$ per capita	Min	Local Road \$ per km	SW
		Number									
Tatiara District Council	RAL	6,826	6,522	1,936	2,906,562	961,517	3,868,079	425.81		496.65	SW
The Barossa Council	UFS	24,544	894	976	712,945	490,055	1,203,000	29.05		502.05	
The Corporation of the City of Adelaide	UCC	23,916	15	124	492,482	259,157	751,639	20.59	#	2,084.02	
The Flinders Ranges Council	RAS	1,665	4,126	1,262	1,157,517	308,698	1,466,215	695.21		244.54	
Town of Gawler	UFS	23,547	41	200	1,386,986	328,183	1,715,169	58.90		1,639.54	
Wakefield Regional Council	RAL	6,924	3,492	2,686	1,871,065	544,877	2,415,942	270.23		202.87	
Wattle Range Council	RAV	11,981	3,930	2,438	2,522,651	830,180	3,352,831	210.55		340.45	SW
Wudinna District Council	RAS	1,298	5,394	1,686	1,179,248	408,494	1,587,742	908.51		242.22	
Yalata Anangu Aboriginal Corporation*	RTX	255	0	64	167,554	44,522	212,076	657.07		693.15	
Yorke Peninsula Council	RAV	11,286	5,962	3,891	1,383,424	833,801	2,217,225	122.58		214.29	

Notes to Table 48:

a population estimates provided by the Local Government Grants Commission in each State and the Northern Territory.

\* Indigenous local governing body

# minimum grant

SW special works included in local roads totals.

Table 49 Distribution to councils in Tasmania for 2018–19

Tasmania			2018–19 actual entitlement							
Council Name	Classification	Population	Council Area sq km	Road Length km	General Purpose \$	Local Road \$	Total \$	General Purpose \$ per capita	Min #	Local Road \$ per km
		Number								
Break O'day Council	RAL	6,167	3,521	547	1,308,890	1,579,601	2,888,491	212.24		2,887.75
Brighton Council	URS	16,872	171	187	1,215,318	608,917	1,824,235	72.03		3,256.24
Burnie City Council	URS	19,245	610	346	1,103,170	1,181,361	2,284,531	57.32		3,419.28
Central Coast Council	URS	21,908	931	667	2,055,565	1,882,587	3,938,152	93.83		2,821.20
Central Highlands Council	RAM	2,139	7,976	737	946,535	1,437,408	2,383,943	442.51		1,950.35
Circular Head Council	RAL	8,145	4,891	774	1,250,930	1,959,824	3,210,754	153.58		2,532.07
Clarence City Council	UFM	55,659	377	461	1,147,667	1,585,775	2,733,442	20.62	#	3,442.85
Derwent Valley Council	RAV	10,148	4,103	333	1,373,832	924,249	2,298,081	135.38		2,775.52
Devonport City Council	URS	25,317	111	284	1,008,116	1,236,373	2,244,489	39.82		4,353.43
Dorset Council	RAL	6,715	3,223	688	1,552,881	1,832,770	3,385,651	231.26		2,663.91
Flinders Council	RTS	943	1,994	350	637,742	729,295	1,367,037	676.29		2,083.70
George Town Council	RAL	6,846	653	274	1,020,126	812,741	1,832,867	149.01		2,966.21
Glamorgan Spring Bay Council	RAM	4,555	2,587	379	279,666	978,605	1,258,271	61.40		2,582.07
Glenorchy City Council	URM	46,790	121	311	964,792	1,412,465	2,377,257	20.62	#	4,541.69
Hobart City Council	UCC	52,191	78	311	1,076,158	1,671,648	2,747,806	20.62	#	5,375.07
Huon Valley Council	RAV	16,919	5,497	707	1,998,910	1,621,762	3,620,672	118.15		2,293.86
Kentish Council	RAL	6,319	1,155	471	1,527,033	1,141,523	2,668,556	241.66		2,423.62
King Island Council	RAS	1,614	1,094	442	822,763	1,011,411	1,834,174	509.77		2,288.26
Kingborough Council	UFM	36,734	719	538	757,441	1,454,425	2,211,866	20.62	#	2,701.89
Latrobe Council	RAV	11,108	600	288	834,907	758,954	1,593,861	75.16		2,636.17

## Distribution to councils in Tasmania for 2018–19 (continued)

Tasmania			2018–19 actual entitlement							
Council Name	Classification	Population	Council Area	Road Length	General Purpose	Local Road	Total	General Purpose	Min	Local Road
		Number	sq km	km	\$	\$	\$	\$ per capita	#	\$ per km
Launceston City Council	URM	67,004	1,411	750	1,381,597	2,944,778	4,326,375	20.62	#	3,926.37
Meander Valley Council	RAV	19,583	3,320	821	2,109,791	2,133,280	4,243,071	107.74		2,598.39
Northern Midlands Council	RAV	13,128	5,126	960	1,110,757	2,344,583	3,455,340	84.61		2,442.27
Sorell Council	RAV	14,648	583	342	1,171,797	944,964	2,116,761	80.00		2,764.75
Southern Midlands Council	RAL	6,103	2,611	812	1,744,828	1,623,825	3,368,653	285.90		1,999.78
Tasman Council	RAM	2,389	659	204	453,995	508,186	962,181	190.04		2,491.11
Waratah/Wynyard Council	RAV	13,791	3,526	533	1,584,564	1,377,766	2,962,330	114.90		2,584.93
West Coast Council	RAM	4,176	9,574	191	1,327,705	742,407	2,070,112	317.94		3,884.91
West Tamar Council	UFS	23,721	690	466	2,033,468	1,267,774	3,301,242	85.72		2,720.55

Notes to Table 49:

a population estimates provided by the Local Government Grants Commission in each State and the Northern Territory.

\* Indigenous local governing body

# minimum grant

Table 50 Distribution to councils in Northern Territory for 2018-19

Northern Territory		2018-19 actual entitlement								
Council Name	Classification	Population	Council Area	Road Length	General Purpose	Local Road	Total	General Purpose	Min	Local Road
		Number	sq km	km	\$	\$	\$	\$ per capita	#	\$ per km
Alice Springs Town Council	URS	26,743	327	247	681,803	954,063	1,635,866	25.49		3,867.93
Barkly Regional Council	RTL	7,507	322,693	557	1,719,100	455,876	2,174,976	229.00		819.00
Belyuen Community Government Council	RTX	178	42	84	26,002	33,027	59,029	146.08		392.94
Central Desert Regional Council	RTL	4,241	282,090	1,769	1,072,434	880,631	1,953,065	252.87		497.72
City of Darwin	UCC	84,566	142	534	1,795,524	1,898,878	3,694,402	21.23	#	3,555.55
City of Palmerston	UFS	36,578	56	275	776,632	907,278	1,683,910	21.23	#	3,303.04
Coomalie Community Government Council	RTM	1,428	1,512	175	30,320	475,535	505,855	21.23	#	2,718.74
East Arnhem Regional Council*	RTL	10,402	33,302	973	3,195,685	1,247,380	4,443,065	307.22		1,281.70
Katherine Town Council	URS	10,572	7,421	187	584,562	635,813	1,220,375	55.29		3,396.98
Litchfield Council	RAV	25,423	3,072	732	539,787	2,606,767	3,146,554	21.23	#	3,562.57
Local Government Association of the Northern Territory Inc	URL	0	0	2,123	0	1,567,995	1,567,995	0.00		738.73
MacDonnell Regional Council*	RTS	6,838	268,784	1,564	1,804,880	1,003,347	2,808,227	263.95		641.44
Roper Gulf Regional Council	RTL	7,478	185,176	940	1,992,995	1,077,768	3,070,763	266.51		1,146.63
Tiwi Islands Regional Council*	RTM	2,797	7,501	845	421,838	976,697	1,398,535	150.82		1,155.46
Victoria Daly Regional Council*	RTL	3,207	153,475	335	489,853	701,001	1,190,854	152.74		2,090.81



## Distribution to councils in Northern Territory for 2018–19 (continued)

Northern Territory		2018–19 actual entitlement								
Council Name	Classification	Population	Council Area	Road Length	General Purpose	Local Road	Total	General Purpose	Min	Local Road
		Number	sq km	km	\$	\$	\$	\$ per capita	#	\$ per km
Wagait Shire Council	RTX	507	6	17	11,875	55,322	67,197	23.42		3,305.77
West Arnhem Regional Council*	RTL	7,008	49,698	1,232	1,246,625	1,190,063	2,436,688	177.89		966.04
West Daly Regional Council*	RTL	3,678	14,100	697	535,771	885,510	1,421,281	145.67		1,270.62

Notes to Table 50:

a population estimates provided by the Local Government Grants Commission in each State and the Northern Territory.

\* Indigenous local governing body

# minimum grant



# Appendix E

## Ranking of local governing bodies

In this appendix, the grant per capita is used as the basis for comparing relative need for the general purpose grants. For local road grants, the allocation of grants for each council is divided by their length of local roads to obtain a relative expenditure needs measure. For the following tables, councils within a state are sorted on the value of the general purpose grant per capita and the local road grants per kilometre. For each council, the table gives the ranking obtained for both grants. The Australian Classification of Local Government category for each council is also provided (see Appendix F). For each state and the Northern Territory, the positions of the average general purpose grant per capita and the average local road grant per kilometre are also shown at the top of the ranking of councils.

**Key to symbols used in tables in Appendix E. See Appendix F for a full explanation.**

RAL	Rural Agricultural Large
RAM	Rural Agricultural Medium
RAS	Rural Agricultural Small
RAV	Rural Agricultural Very Large
RSG	Rural Significant Growth
RTL	Rural Remote Large
RTM	Rural Remote Medium
RTS	Rural Remote Small
RTX	Rural Remote Extra Small
UCC	Urban Capital City
UDL	Urban Developed Large
UDM	Urban Developed Medium
UDS	Urban Developed Small
UDV	Urban Developed Very Large
UFL	Urban Fringe Large
UFM	Urban Fringe Medium
UFS	Urban Fringe Small
UFV	Urban Fringe Very Large
URL	Urban Regional Large
URM	Urban Regional Medium
URS	Urban Regional Small
URV	Urban Regional Very Large

Table 51 New South Wales councils ranked by grant funding 2018–19

New South Wales councils ranked by funding per capita					New South Wales councils ranked by funding per km				
General purpose grant					Local roads grant				
Rank	Council Name	Classification	\$ per capita		Rank	Council Name	Classification	\$ per km	
	<b>State average</b>		<b>68.72</b>			<b>State average</b>		<b>1,482.51</b>	
1	Central Darling Shire Council	RTM	2,073.81		1	The Council of the City of Sydney	UCC	4,521.97	
2	Brewarrina Shire Council	RAS	1,533.98		2	Waverley Council	UDL	3,866.17	
3	Bourke Shire Council	RAM	1,415.82		3	Randwick City Council	UDV	3,502.34	
4	Carrathool Shire Council	RAM	1,245.57		4	Cumberland Council	UDV	3,412.80	
5	Balranald Shire Council	RAM	1,138.97		5	Strathfield Municipal Council	UDM	3,393.87	
6	Bogan Shire Council	RAM	974.77		6	City of Canada Bay Council	URM	3,358.02	
7	Lachlan Council	RAL	907.67		7	North Sydney Council	UDL	3,349.72	
8	Cobar Shire Council	RTL	842.49		8	Bayside Council	UDV	3,275.68	
9	Bland Shire Council	RAL	757.27		9	Burwood Council	UDM	3,244.15	
10	Murrumbidgee Council	RAM	693.98		10	Inner West Council	UDV	3,177.81	
11	Walgett Shire Council	RAL	693.33		11	Council of the Municipality of Woollahra	UDM	3,086.56	
12	Hay Shire Council	RAM	685.16		12	Canterbury-Bankstown Council	UDV	3,081.45	
13	Silverton Village Committee Incorporated	RTX	666.78		13	Lane Cove Municipal Council	UDM	3,046.73	
14	Lockhart Shire Council	RAM	666.12		14	Georges River Council	UDV	3,033.54	
15	Warren Shire Council	RAM	634.56		15	Council of the City of Ryde	UDV	3,021.12	
16	Conamble Shire Council	RAM	618.25		16	Willoughby City Council	UDL	2,952.49	
17	Wentworth Shire Council	RAL	593.20		17	City of Parramatta Council	UDV	2,906.92	
18	Gilgandra Council	RAM	571.82		18	Fairfield City Council	UDV	2,797.97	
19	Lord Howe Island Board	RTX	563.27		19	Mosman Municipal Council	UDM	2,772.51	
20	Tibooburra Village Committee Incorporated	RTX	558.71		20	Coffs Harbour City Council	URL	2,747.65	
21	Coolamon Shire Council	RAM	536.86		21	Northern Beaches Council	UDV	2,736.66	

## New South Wales councils ranked by grant funding 2018–19 (continued)

New South Wales councils ranked by funding per capita					New South Wales councils ranked by funding per km				
General purpose grant					Local roads grant				
Rank	Council Name	Classification	\$ per capita		Rank	Council Name	Classification	\$ per km	
22	Narrandera Shire Council	RAL	528.30		22	Albury City Council	URM	2,635.03	
23	Gwydir Shire Council	RAL	498.24		23	Liverpool City Council	UDV	2,583.06	
24	Warrumbungle Shire Council	RAL	482.74		24	Tweed Shire Council	URL	2,582.27	
25	Tenterfield Shire Council	RAL	462.02		25	Blacktown City Council	UDV	2,555.76	
26	Weddin Shire Council	RAM	454.08		26	Wollongong City Council	URV	2,537.37	
27	Murray River Council	RAV	440.06		27	Ku-Ring-Gai Council	UDV	2,532.14	
28	Narramine Shire Council	RAL	436.93		28	Orange City Council	URM	2,530.13	
29	Edward River Council	RAL	435.35		29	Sutherland Shire Council	UDV	2,521.77	
30	Walcha Council	RAM	421.51		30	Campbelltown City Council	UFV	2,521.36	
31	Berrigan Shire Council	RAL	381.24		31	Hornsby Shire Council	UFV	2,443.02	
32	Federation Council	RAV	364.39		32	Hunter's Hill Council	UDS	2,395.79	
33	Narrabri Shire Council	RAV	358.61		33	Newcastle City Council	URV	2,359.77	
34	Moree Plains Shire Council	RAV	358.45		34	Penrith City Council	UFV	2,328.63	
35	Temora Shire Council	RAL	354.84		35	Council of the City of Broken Hill	URS	2,314.69	
36	Upper Lachlan Shire Council	RAL	348.10		36	Port Macquarie Hastings Council	URL	2,309.01	
37	Forbes Shire Council	RAL	343.35		37	Council of the City of Shellharbour	URL	2,298.40	
38	Snowy Monaro Regional Council	URS	321.39		38	The Hills Shire Council	UFV	2,233.95	
39	Oberon Council	RAL	318.55		39	The Council of Camden	UFL	2,200.76	
40	Cootamundra-Gundagai Regional Council	RAV	317.39		40	Ballina Shire Council	URM	2,179.86	
41	Glen Innes Severn Council	RAL	304.41		41	Central Coast Council (NSW)	UFV	2,178.36	
42	Kyogle Council	RAL	303.18		42	Kiama Municipal Council	URS	2,163.69	
43	Greater Hume Shire Council	RAV	299.80		43	Lake Macquarie City Council	URV	2,124.66	



## New South Wales councils ranked by grant funding 2018–19 (continued)

New South Wales councils ranked by funding per capita					New South Wales councils ranked by funding per km				
General purpose grant					Local roads grant				
Rank	Council Name	Classification	\$ per capita		Rank	Council Name	Classification	\$ per km	
44	Liverpool Plains Shire Council	RAL	296.31		44	Shoalhaven City Council	URL	2,120.98	
45	Snowy Valleys Council	RAV	288.72		45	Maitland City Council	URL	2,051.48	
46	Junee Shire Council	RAL	288.53		46	Byron Shire Council	URM	2,042.81	
47	Leeton Shire Council	RAV	280.48		47	Blue Mountains City Council	UFL	1,885.27	
48	Parkes Shire Council	RAV	275.37		48	Hawkesbury City Council	UFM	1,883.63	
49	Hilltops Council	RAV	272.80		49	Port Stephens Council	URL	1,876.77	
50	Uralla Shire Council	RAL	257.72		50	Cessnock City Council	URM	1,859.46	
51	Cowra Shire Council	RAV	245.45		51	Wollondilly Shire Council	UFM	1,854.89	
52	Blayney Shire Council	RAL	238.92		52	Nambucca Valley Council	RAV	1,799.21	
53	Council of the City of Broken Hill	URS	234.24		53	Lismore City Council	URM	1,784.97	
54	Inverell Shire Council	RAV	228.37		54	Wingecarribee Shire Council	URM	1,771.59	
55	Gunnedah Shire Council	RAV	228.19		55	Eurobodalla Shire Council	URM	1,733.11	
56	Bellingen Shire Council	RAV	213.87		56	Queanbeyan-Palerang Regional Council	URM	1,727.08	
57	Upper Hunter Shire Council	RAV	208.61		57	Kempsey Shire Council	URS	1,721.17	
58	Cabonne Shire Council	RAV	206.54		58	Bathurst Regional Council	URM	1,705.82	
59	Dungog Shire Council	RAL	179.68		59	Bellingen Shire Council	RAV	1,684.81	
60	Mid-Western Regional Council	RAS	160.12		60	Bega Valley Shire Council	URM	1,650.87	
61	City of Lithgow Council	URS	157.98		61	Mid-Coast Council	URL	1,646.53	
62	Muswellbrook Shire Council	RAV	154.53		62	Singleton Council	URS	1,634.60	
63	Dubbo Regional Council	URM	152.60		63	Muswellbrook Shire Council	RAV	1,583.21	
64	Bega Valley Shire Council	URM	148.35		64	Richmond Valley Council	URS	1,571.30	
65	Clarence Valley Council	URM	147.50		65	Clarence Valley Council	URM	1,566.70	

## New South Wales councils ranked by grant funding 2018–19 (continued)

New South Wales councils ranked by funding per capita					New South Wales councils ranked by funding per km				
General purpose grant					Local roads grant				
Rank	Council Name	Classification	\$ per capita		Rank	Council Name	Classification	\$ per km	
66	Richmond Valley Council	URS	147.30		66	Wagga Wagga City Council	URM	1,527.61	
67	Griffith City Council	URS	142.35		67	Goulburn Mulwaree Council	URM	1,520.05	
68	Kempsey Shire Council	URS	139.99		68	Dungog Shire Council	RAL	1,504.04	
69	Eurobodalla Shire Council	URM	138.26		69	Kyogle Council	RAL	1,484.35	
70	Nambucca Valley Council	RAV	137.70		70	City of Lithgow Council	URS	1,422.24	
71	Armistdale Regional Council	URM	135.83		71	Tamworth Regional Council	URM	1,422.16	
72	Mid-Coast Council	URL	133.35		72	Snowy Valleys Council	RAV	1,345.40	
73	Goulburn Mulwaree Council	URM	108.87		73	Dubbo Regional Council	URM	1,323.18	
74	Wagga Wagga City Council	URM	108.14		74	Griffith City Council	URS	1,302.83	
75	Bathurst Regional Council	URM	101.49		75	Armistdale Regional Council	URM	1,290.08	
76	Singleton Council	URS	101.38		76	Yass Valley Council	RAV	1,268.13	
77	Tamworth Regional Council	URM	100.46		77	Glen Innes Severn Council	RAL	1,254.04	
78	Lismore City Council	URM	98.60		78	Mid-Western Regional Council	RAS	1,245.89	
79	Yass Valley Council	RAV	98.46		79	Blayney Shire Council	RAL	1,226.30	
80	Cessnock City Council	URM	95.04		80	Cootamundra-Gundagai Regional Council	RAV	1,225.15	
81	Blue Mountains City Council	UFL	93.61		81	Upper Hunter Shire Council	RAV	1,223.84	
82	Albury City Council	URM	93.35		82	Cowra Shire Council	RAV	1,203.66	
83	Shoalhaven City Council	URL	85.90		83	Cabonne Shire Council	RAV	1,190.46	
84	Orange City Council	URM	81.60		84	Snowy Monaro Regional Council	URS	1,186.42	
85	Tweed Shire Council	URL	81.39		85	Uralla Shire Council	RAL	1,183.58	
86	Port Macquarie Hastings Council	URL	77.40		86	Leeton Shire Council	RAV	1,182.35	
87	Wollongong City Council	URV	74.93		87	Inverell Shire Council	RAV	1,169.18	

## New South Wales councils ranked by grant funding 2018–19 (continued)

New South Wales councils ranked by funding per capita					New South Wales councils ranked by funding per km				
General purpose grant					Local roads grant				
Rank	Council Name	Classification	\$ per capita		Rank	Council Name	Classification	\$ per km	
88	Port Stephens Council	URL	74.84		88	Gunnedah Shire Council	RAV	1,159.51	
89	Ballina Shire Council	URM	71.02		89	Liverpool Plains Shire Council	RAL	1,140.61	
90	Coffs Harbour City Council	URL	69.31		90	Greater Hume Shire Council	RAV	1,140.14	
91	Maitland City Council	URL	68.61		91	Hilltops Council	RAV	1,139.95	
92	Lake Macquarie City Council	URV	65.49		92	Tenterfield Shire Council	RAL	1,133.37	
93	Newcastle City Council	URV	64.25		93	Murray River Council	RAV	1,132.16	
94	Wingecarribee Shire Council	URM	63.58		94	Walcha Council	RAM	1,132.14	
95	Central Coast Council (NSW)	UFV	62.57		95	Junee Shire Council	RAL	1,116.60	
96	Queanbeyan-Palerang Regional Council	URM	60.96		96	Forbes Shire Council	RAL	1,101.73	
97	Council of the City of Shellharbour	URL	59.72		97	Oberon Council	RAL	1,100.80	
98	Byron Shire Council	URM	58.50		98	Lockhart Shire Council	RAM	1,093.87	
99	Kiama Municipal Council	URS	51.41		99	Upper Lachlan Shire Council	RAL	1,091.02	
100	Campbelltown City Council	UFV	50.04		100	Parkes Shire Council	RAV	1,090.43	
101	Wollondilly Shire Council	UFM	46.70		101	Narrabri Shire Council	RAV	1,089.09	
102	Penrith City Council	UFV	41.52		102	Federation Council	RAV	1,087.71	
103	Hawkesbury City Council	UFM	40.70		103	Edward River Council	RAL	1,084.19	
104	Blacktown City Council	UDV	37.57		104	Berrigan Shire Council	RAL	1,082.31	
105	Fairfield City Council	UDV	35.45		105	Moree Plains Shire Council	RAV	1,082.28	
106	City of Parramatta Council	UDV	30.07		106	Warrumbungle Shire Council	RAL	1,073.25	
107	Liverpool City Council	UDV	29.90		107	Walgett Shire Council	RAL	1,071.14	
108	The Council of Camden	UFL	27.85		108	Warren Shire Council	RAM	1,068.90	
109	Cumberland Council	UDV	27.61		109	Gilgandra Council	RAM	1,067.53	



## New South Wales councils ranked by grant funding 2018–19 (continued)

New South Wales councils ranked by funding per capita					New South Wales councils ranked by funding per km				
General purpose grant					Local roads grant				
Rank	Council Name	Classification	\$ per capita		Rank	Council Name	Classification	\$ per km	
110	Canterbury-Bankstown Council	UDV	22.36		110	Gwydir Shire Council	RAL	1,061.12	
111	Hunter's Hill Council	UDS	21.44		111	Narrandera Shire Council	RAL	1,060.44	
112	Mosman Municipal Council	UDM	21.38		112	Temora Shire Council	RAL	1,050.00	
113	Bayside Council	UDV	20.62		113	Coonamble Shire Council	RAM	1,049.66	
113	Burwood Council	UDM	20.62		114	Bogan Shire Council	RAM	1,045.52	
113	City of Canada Bay Council	URM	20.62		115	Narramine Shire Council	RAL	1,044.94	
113	Council of the City of Ryde	UDV	20.62		116	Weddin Shire Council	RAM	1,043.98	
113	Council of the Municipality of Woollahra	UDM	20.62		117	Wentworth Shire Council	RAL	1,033.43	
113	Georges River Council	UDV	20.62		118	Hay Shire Council	RAM	1,029.51	
113	Hornsby Shire Council	UFV	20.62		119	Coolamon Shire Council	RAM	1,019.04	
113	Inner West Council	UDV	20.62		120	Murrumbidgee Council	RAM	1,018.08	
113	Ku-Ring-Gai Council	UDV	20.62		121	Brewarrina Shire Council	RAS	1,014.43	
113	Lane Cove Municipal Council	UDM	20.62		122	Cobar Shire Council	RTL	1,007.99	
113	North Sydney Council	UDL	20.62		123	Carrathool Shire Council	RAM	1,006.91	
113	Northern Beaches Council	UDV	20.62		124	Lachlan Council	RAL	1,002.44	
113	Randwick City Council	UDV	20.62		125	Bourke Shire Council	RAM	1,002.06	
113	Strathfield Municipal Council	UDM	20.62		126	Bland Shire Council	RAL	1,000.66	
113	Sutherland Shire Council	UDV	20.62		127	Balranald Shire Council	RAM	986.29	
113	The Council of the City of Sydney	UCC	20.62		128	Central Darling Shire Council	RTM	983.39	
113	The Hills Shire Council	UFV	20.62		129	Lord Howe Island Board	RTX	0.00	
113	Waverley Council	UDL	20.62		129	Silverton Village Committee Incorporated	RTX	0.00	
113	Willoughby City Council	UDL	20.62		129	Tibooburra Village Committee Incorporated	RTX	0.00	

Table 52 Victoria councils ranked by grant funding 2018–19

Victoria councils ranked by funding per capita					Victoria councils ranked by funding per km				
General purpose grant					Local roads grant				
Rank	Council Name	Classification	\$ per capita		Rank	Council Name	Classification	\$ per km	
	<b>State average</b>		<b>68.66</b>			<b>State average</b>		<b>1,170.47</b>	
1	West Wimmera Shire Council	RAM	820.83		1	Melbourne City Council (City of Melbourne)	UCC	2,950.54	
2	Loddon Shire Council	RAL	683.39		2	City of Greater Dandenong	UDV	2,257.04	
3	Buloke Shire Council	RAL	616.08		3	Kingston City Council	UDV	2,023.68	
4	Hindmarsh Shire Council	RAL	503.34		4	City of Port Phillip	UDL	1,961.92	
5	Yarriambiack Shire Council	RAL	489.34		5	Warrnambool City Council	URM	1,944.65	
6	Shire of Towong	RAL	479.99		6	Hume City Council	UFV	1,938.88	
7	Pyrenees Shire Council	RAL	448.04		7	Brimbank City Council	UDV	1,924.47	
8	Northern Grampians Shire Council	RAV	396.61		8	Yarra Ranges Shire Council	UFV	1,858.83	
9	Gannawarra Shire Council	RAV	335.39		9	Yarra City Council	UDL	1,830.79	
10	Ararat Rural City Council	RAV	307.27		10	Moreland City Council	UDV	1,778.40	
11	Shire of Strathbogie	RAV	305.00		11	City of Maribyrnong	UDL	1,776.85	
12	Southern Grampians Shire Council	RAV	273.56		12	Melton City Council	UFV	1,765.31	
13	Corangamite Shire Council	RAV	271.53		13	South Gippsland Shire Council	URS	1,732.27	
14	Shire of Moyne	RAV	265.64		14	Banyule City Council	UDV	1,719.00	
15	Glenelg Shire Council	RAV	236.94		15	City of Darebin	UDV	1,718.69	
16	Moirā Shire Council	URS	235.19		16	Cardinia Shire Council	UFL	1,686.73	
17	East Gippsland Shire Council	URM	223.71		17	City of Whittlesea	UFV	1,680.78	
18	Swan Hill Rural City Council	URS	218.57		18	Hobsons Bay City Council	UDL	1,677.85	
19	Mansfield Shire Council	RAL	213.23		19	Moonee Valley City Council	UDV	1,663.88	
20	Central Goldfields Shire Council	RAV	212.17		20	Ballarat City Council	URL	1,651.43	
21	Horsham Rural City Council	RAV	211.31		21	Wodonga City Council	URM	1,643.85	

## Victoria councils ranked by grant funding 2018–19 (continued)

Victoria councils ranked by funding per capita					Victoria councils ranked by funding per km				
General purpose grant					Local roads grant				
Rank	Council Name	Classification	\$ per capita		Rank	Council Name	Classification	\$ per km	
22	Murrindi Shire Council	RAV	208.33		22	Latrobe City Council	URL	1,631.90	
23	Hepburn Shire Council	RAV	204.06		23	Monash City Council	UDV	1,631.32	
24	South Gippsland Shire Council	URS	203.41		24	Maroondah City Council	UDL	1,621.80	
25	Alpine Shire	RAV	201.61		25	Whitehorse City Council	UDV	1,611.22	
26	Campaspe Shire Council	URM	201.27		26	Frankston City Council	UDV	1,609.72	
27	Wellington Shire Council	URM	199.86		27	City of Boroondara	UDV	1,607.87	
28	Mildura Rural City Council	URM	199.40		28	Colac Otway Shire	URS	1,596.06	
29	Benalla Rural City Council	RAV	192.63		29	Wellington Shire Council	URM	1,586.21	
30	Colac Otway Shire	URS	189.50		30	Bayside City Council	UDL	1,582.74	
31	Indigo Shire Council	RAV	187.54		31	Wyndham City Council	UFV	1,576.55	
32	Mount Alexander Shire Council	RAV	169.00		32	City of Knox	UDV	1,541.96	
33	Wangaratta Rural City Council	URS	165.50		33	East Gippsland Shire Council	URM	1,533.86	
34	Golden Plains Shire Council	RAV	163.56		34	City of Greater Geelong	URV	1,532.72	
35	Greater Shepparton City Council	URM	142.70		35	Casey City Council	UDV	1,510.67	
36	Bass Coast Shire Council	UFM	134.27		36	Bass Coast Shire Council	UFM	1,507.06	
37	Moorabool Shire Council	URM	133.92		37	Shire of Moyne	RAV	1,502.39	
38	Mitchell Shire Council	URM	129.02		38	Shire of Towong	RAL	1,497.49	
39	Baw Baw Shire Council	URM	124.49		39	City of Glen Eira	UDV	1,486.38	
40	Latrobe City Council	URL	123.85		40	Corangamite Shire Council	RAV	1,467.38	
41	Greater Bendigo City Council	URL	113.91		41	Nillumbik Shire Council	UFM	1,463.88	
42	Macedon Ranges Shire Council	URM	109.60		42	Mornington Peninsula Shire Council	UFV	1,438.29	
43	Wodonga City Council	URM	106.11		43	Surf Coast Shire	UFM	1,434.50	

## Victoria councils ranked by grant funding 2018–19 (continued)

Victoria councils ranked by funding per capita					Victoria councils ranked by funding per km				
General purpose grant					Local roads grant				
Rank	Council Name	Classification	\$ per capita		Rank	Council Name	Classification	\$ per km	
44	Ballarat City Council	URL	100.83		44	Murrindindi Shire Council	RAV	1,374.70	
45	Melton City Council	UFV	90.84		45	Baw Baw Shire Council	URM	1,366.77	
46	Warrnambool City Council	URM	89.35		46	Manningham City Council	UDV	1,362.56	
47	Surf Coast Shire	UFM	86.53		47	Borough of Queenscliffe	UFS	1,348.70	
48	Cardinia Shire Council	UFL	85.80		48	Stonnington City Council	UDL	1,336.12	
49	Borough of Queenscliffe	UFS	71.59		49	Macedon Ranges Shire Council	URM	1,310.14	
50	City of Greater Geelong	URV	71.09		50	Glenelg Shire Council	RAV	1,309.70	
51	Yarra Ranges Shire Council	UFV	68.16		51	Moorebool Shire Council	URM	1,281.28	
52	Wyndham City Council	UFV	64.04		52	Alpine Shire	RAV	1,256.07	
53	City of Greater Dandenong	UDV	62.43		53	Greater Shepparton City Council	URM	1,226.40	
54	Hume City Council	UFV	61.89		54	Mitchell Shire Council	URM	1,205.22	
55	Brimbank City Council	UDV	59.99		55	Wangaratta Rural City Council	URS	1,203.79	
56	City of Whittlesea	UFV	57.96		56	Mount Alexander Shire Council	RAV	1,151.20	
57	Casey City Council	UDV	53.66		57	Bendalla Rural City Council	RAV	1,111.13	
58	Frankston City Council	UDV	51.17		58	Mansfield Shire Council	RAL	1,109.44	
59	City of Knox	UDV	39.02		59	Greater Bendigo City Council	URL	1,095.22	
60	Maroondah City Council	UDL	34.96		60	Golden Plains Shire Council	RAV	1,075.87	
61	Nilumbik Shire Council	UFM	29.04		61	Moir Shire Council	URS	1,059.11	
62	City of Maribyrnong	UDL	24.50		62	Hepburn Shire Council	RAV	1,044.48	
63	Moreland City Council	UDV	23.46		63	Pyrenees Shire Council	RAL	1,040.73	
64	Banyule City Council	UDV	21.35		64	Indigo Shire Council	RAV	1,033.20	
65	Hobsons Bay City Council	UDL	20.82		65	Southern Grampians Shire Council	RAV	1,003.55	

## Victoria councils ranked by grant funding 2018–19 (continued)

Victoria councils ranked by funding per capita					Victoria councils ranked by funding per km				
General purpose grant					Local roads grant				
Rank	Council Name	Classification	\$ per capita		Rank	Council Name	Classification	\$ per km	
66	Mornington Peninsula Shire Council	UFV	20.74		66	Campaspe Shire Council	URM	985.92	
67	Bayside City Council	UDL	20.60		67	Shire of Strathbogie	RAV	975.35	
67	City of Boroondara	UDV	20.60		68	Ararat Rural City Council	RAV	959.31	
67	City of Darebin	UDV	20.60		69	Central Goldfields Shire Council	RAV	908.94	
67	City of Glen Eira	UDV	20.60		70	Gannawarra Shire Council	RAV	881.17	
67	City of Port Phillip	UDL	20.60		71	West Wimmera Shire Council	RAM	826.30	
67	Kingston City Council	UDV	20.60		72	Northern Grampians Shire Council	RAV	824.52	
67	Manningham City Council	UDV	20.60		73	Mildura Rural City Council	URM	786.20	
67	Melbourne City Council (City of Melbourne)	UCC	20.60		74	Loddon Shire Council	RAL	768.44	
67	Monash City Council	UDV	20.60		75	Horsham Rural City Council	RAV	728.85	
67	Moonee Valley City Council	UDV	20.60		76	Swan Hill Rural City Council	URS	624.58	
67	Stonnington City Council	UDL	20.60		77	Hindmarsh Shire Council	RAL	516.76	
67	Whitehorse City Council	UDV	20.60		78	Buloke Shire Council	RAL	457.38	
67	Yarra City Council	UDL	20.60		79	Yarriambiack Shire Council	RAL	412.57	

Table 53 Queensland councils ranked by grant funding 2018–19

Queensland councils ranked by funding per capita					Queensland councils ranked by funding per km				
General purpose grant					Local roads grant				
Rank	Council Name	Classification	\$ per capita		Rank	Council Name	Classification	\$ per km	
	<b>State average</b>		<b>68.67</b>			<b>State average</b>		<b>934.06</b>	
1	Bulloo Shire Council	RTX	15,901.74		1	Brisbane City Council	UCC	2,803.14	
2	Croydon Shire Council	RTX	11,072.50		2	Gold Coast City Council	URV	2,528.22	
3	Barcoo Shire Council	RTX	10,227.12		3	Logan City Council	URV	1,978.62	
4	Diamantina Shire Council	RTX	8,609.09		4	Redland City Council	URV	1,954.79	
5	Burke Shire Council	RTX	7,521.44		5	Cairns Regional Council	URV	1,891.49	
6	McKinlay Shire Council	RTS	5,581.78		6	Moreton Bay Regional Council	URV	1,876.83	
7	Boulia Shire Council	RTS	5,195.62		7	Ipswich City Council	URV	1,837.40	
8	Etheridge Shire Council	RTS	5,171.60		8	Townsville City Council	URV	1,756.81	
9	Quilpie Shire Council	RTS	4,570.29		9	Sunshine Coast Regional Council	URV	1,697.75	
10	Flinders Shire Council	RTM	3,647.81		10	Palm Island Aboriginal Shire Council	RTM	1,321.24	
11	Mapoon Aboriginal Shire Council	RTX	3,605.54		11	Noosa Shire Council	URM	1,252.67	
12	Richmond Shire Council	RTS	3,567.28		12	Yarrabah Aboriginal Shire Council	RTM	1,115.50	
13	Winton Shire Council	RTM	3,512.70		13	Mackay Regional Council	URL	1,085.21	
14	Paroo Shire Council	RTM	2,468.32		14	Rockhampton Regional Council	URL	1,014.32	
15	Torres Strait Island Regional Council	RTL	2,200.81		15	Fraser Coast Regional Council	URL	1,007.48	
16	Lockhart River Aboriginal Shire Council	RTS	2,174.05		16	Bundaberg Regional Council	URL	919.08	
17	Barcardine Regional Council	RTM	1,928.32		17	Douglas Shire Council	RAV	891.10	
18	Carpentaria Shire Council	RTM	1,922.15		18	Lockyer Valley Regional Council	URM	879.61	
19	Mornington Shire Council	RTM	1,909.49		19	Livingstone Shire Council	UFM	858.88	
20	Cook Shire Council	RTL	1,888.05		20	Toowoomba Regional Council	URV	853.26	
21	Porpuraaw Aboriginal Shire Council	RTS	1,788.21		21	Cassowary Coast Regional Council	URS	848.37	

## Queensland councils ranked by grant funding 2018–19 (continued)

Queensland councils ranked by funding per capita					Queensland councils ranked by funding per km				
General purpose grant					Local roads grant				
Rank	Council Name	Classification	\$ per capita		Rank	Council Name	Classification	\$ per km	
22	Wujal Wujal Aboriginal Shire Council	RTX	1,663.66		22	Gladstone Regional Council	URM	839.35	
23	Longreach Regional Council	RTL	1,624.13		23	Scenic Rim Regional Council	UFM	831.55	
24	Kowanyama Aboriginal Shire Council	RTS	1,588.55		24	Gympie Regional Council	URM	823.83	
25	Blackall–Tambo Regional Council	RTM	1,582.28		25	Whitsunday Regional Council	URM	787.34	
26	Aurukun Shire Council	RTM	1,515.11		26	Cherbourg Aboriginal Shire Council	RTM	785.87	
27	Cloncurry Shire Council	RTL	1,478.50		27	Woorabinda Aboriginal Shire Council	RTS	777.89	
28	Northern Peninsula Area Regional Council	RTL	1,368.08		28	Wujal Wujal Aboriginal Shire Council	RTX	763.61	
29	Murweh Shire Council	RTL	1,244.98		29	Hinchinbrook Shire Council	RAV	753.65	
30	Napranum Aboriginal Shire Council	RTM	1,112.75		30	Burdekin Shire Council	RAV	745.88	
31	Hope Vale Aboriginal Shire Council	RTS	1,069.03		31	Tablelands Regional Council	URS	733.01	
32	Maranoa Regional Council	RAV	1,068.26		32	Somerset Regional Council	UFS	732.36	
33	Doomadgee Aboriginal Shire Council	RTM	907.84		33	Aurukun Shire Council	RTM	727.44	
34	Balonne Shire Council	RAM	903.36		34	Doomadgee Aboriginal Shire Council	RTM	726.89	
35	Torres Shire Council	RTL	868.50		35	Torres Strait Island Regional Council	RTL	726.87	
36	North Burnett Regional Council	RAV	813.38		36	Torres Shire Council	RTL	721.59	
37	Woorabinda Aboriginal Shire Council	RTS	547.77		37	Southern Downs Regional Council	URM	709.75	
38	Palm Island Aboriginal Shire Council	RTM	486.27		38	South Burnett Regional Council	URM	692.77	
39	Cherbourg Aboriginal Shire Council	RTM	456.73		39	Mareeba Shire Council	URS	689.75	
40	Goondiwindi Regional Council	RAV	421.71		40	Mount Isa City Council	RTL	685.51	
41	Western Downs Regional Council	URM	346.81		41	Northern Peninsula Area Regional Council	RTL	674.82	
42	Banana Shire Council	RAV	338.99		42	Morrington Shire Council	RTM	667.70	
43	Yarrabah Aboriginal Shire Council	RTM	335.74		43	Hope Vale Aboriginal Shire Council	RTS	666.49	

## Queensland councils ranked by grant funding 2018–19 (continued)

Queensland councils ranked by funding per capita					Queensland councils ranked by funding per km				
General purpose grant					Local roads grant				
Rank	Council Name	Classification	\$ per capita		Rank	Council Name	Classification	\$ per km	
44	Charters Towers Regional Council	RAV	318.55		44	Isaac Regional Council	URS	656.05	
45	Mareeba Shire Council	URS	259.76		45	Central Highlands Regional Council	URS	653.47	
46	Mount Isa City Council	RTL	255.52		46	Napranum Aboriginal Shire Council	RTM	649.99	
47	Central Highlands Regional Council	URS	223.92		47	Mapoon Aboriginal Shire Council	RTX	647.63	
48	Tablelands Regional Council	URS	188.84		48	Western Downs Regional Council	URM	635.71	
49	Burdekin Shire Council	RAV	154.44		49	Lockhart River Aboriginal Shire Council	RTS	633.33	
50	Isaac Regional Council	URS	148.48		50	Goondiwindi Regional Council	RAV	633.04	
51	South Burnett Regional Council	URM	142.80		51	Banana Shire Council	RAV	625.60	
52	Hinchinbrook Shire Council	RAV	129.78		52	Charters Towers Regional Council	RAV	620.38	
53	Southern Downs Regional Council	URM	123.06		53	Kowanyama Aboriginal Shire Council	RTS	617.43	
54	Whitsunday Regional Council	URM	109.54		54	North Burnett Regional Council	RAV	614.11	
55	Cassowary Coast Regional Council	URS	88.65		55	Maranoa Regional Council	RAV	610.40	
56	Douglas Shire Council	RAV	88.53		56	Cloncurry Shire Council	RTL	608.11	
57	Gladstone Regional Council	URM	84.02		57	Balonne Shire Council	RAM	604.91	
58	Lockyer Valley Regional Council	URM	78.88		58	Murweh Shire Council	RTL	603.46	
59	Somerset Regional Council	UFS	78.03		59	Cook Shire Council	RTL	603.19	
60	Rockhampton Regional Council	URL	73.54		60	Pormpuraaw Aboriginal Shire Council	RTS	602.31	
61	Livingstone Shire Council	UFM	70.51		61	Longreach Regional Council	RTL	600.92	
62	Gympie Regional Council	URM	68.02		62	Carpentaria Shire Council	RTM	600.01	
63	Bundaberg Regional Council	URL	55.64		63	Blackall-Tambo Regional Council	RTM	597.71	
64	Toowoomba Regional Council	URV	48.06		64	Barcaldine Regional Council	RTM	597.17	
65	Fraser Coast Regional Council	URL	45.14		65	Flinders Shire Council	RTM	595.14	



## Queensland councils ranked by grant funding 2018–19 (continued)

Queensland councils ranked by funding per capita					Queensland councils ranked by funding per km				
General purpose grant					Local roads grant				
Rank	Council Name	Classification	\$ per capita		Rank	Council Name	Classification	\$ per km	
66	Scenic Rim Regional Council	UFM	39.81		66	Paroo Shire Council	RTM	594.86	
67	Mackay Regional Council	URL	28.34		67	Richmond Shire Council	RTS	593.54	
68	Brisbane City Council	UCC	20.60		68	Burke Shire Council	RTX	592.21	
68	Cairns Regional Council	URV	20.60		69	McKinlay Shire Council	RTS	592.18	
68	Gold Coast City Council	URV	20.60		70	Etheridge Shire Council	RTS	591.97	
68	Ipswich City Council	URV	20.60		71	Winton Shire Council	RTM	591.92	
68	Logan City Council	URV	20.60		72	Quilpie Shire Council	RTS	591.23	
68	Moreton Bay Regional Council	URV	20.60		73	Boulia Shire Council	RTS	590.49	
68	Noosa Shire Council	URM	20.60		74	Diamantina Shire Council	RTX	589.93	
68	Redland City Council	URV	20.60		75	Croydon Shire Council	RTX	589.91	
68	Sunshine Coast Regional Council	URV	20.60		76	Bulloo Shire Council	RTX	588.91	
68	Townsville City Council	URV	20.60		77	Barcoo Shire Council	RTX	588.78	

Table 54 Western Australia councils ranked by grant funding 2018–19

Western Australia councils ranked by funding per capita				Western Australia councils ranked by funding per km			
General purpose grant				Local roads grant			
Rank	Council Name	Classification	\$ per capita	Rank	Council Name	Classification	\$ per km
State average			68.57	State average			895.90
1	Shire of Sandstone	RTX	17,568.62	1	City of Perth	UCC	4,138.17
2	Shire of Murchison	RTX	16,997.03	2	City of Bunbury	URM	3,694.85
3	Shire of Upper Gascoyne	RTX	9,877.09	3	Shire of Collie	RAL	2,668.97
4	Shire of Cue	RTX	7,647.62	4	City of Gosnells	UDV	2,375.75
5	Shire of Yalgoo	RTX	5,097.12	5	City of Belmont	UDM	2,367.94
6	Shire of Nungarin	RAS	3,701.75	6	City of Canning	UDL	2,292.18
7	Shire of Menzies	RTS	3,274.14	7	Shire of Donnybrook Balingup	RAL	2,279.55
8	Shire of Trayning	RAS	3,171.35	8	City of Fremantle	UDM	2,277.42
9	Shire of Koorda	RAS	2,928.13	9	City of Bayswater	UDM	2,263.52
10	Shire of Mount Magnet	RTS	2,878.10	10	Shire of Peppermint Grove	UDS	2,259.39
11	Shire of Mount Marshall	RAS	2,757.57	11	Town of Bassendean	UDS	2,254.28
12	Shire of Westonia	RAS	2,509.80	12	Town of Claremont	UDS	2,228.65
13	Shire of Wiluna	RTS	2,413.18	13	Town of Cambridge	UDS	2,218.36
14	Shire of Meekatharra	RTM	2,285.28	14	Town of Cottesloe	UDS	2,200.80
15	Shire of Wyalkatchem	RAS	2,063.68	15	City of Kalamunda	UFM	2,166.76
16	Shire of Mukinbudin	RAS	2,048.48	16	City of Joondalup	UDV	2,153.43
17	Shire of Nganyatjarraku	RTM	1,874.79	17	Town of Victoria Park	UDM	2,115.26
18	Shire of Perenjori	RAS	1,853.60	18	City of Melville	UDL	2,097.08
19	Shire of Tammin	RAS	1,816.35	19	City of South Perth	UDM	2,087.36
20	Shire of Bruce Rock	RAS	1,681.94	20	City of Stirling	UDV	2,084.17
21	Shire of Carnamah	RAS	1,609.11	21	City of Swan	UFV	2,068.20
22	Shire of Kent	RAS	1,567.43	22	City of Vincent	UDS	2,055.66

## Western Australia councils ranked by grant funding 2018–19 (continued)

Western Australia councils ranked by funding per capita					Western Australia councils ranked by funding per km				
General purpose grant					Local roads grant				
Rank	Council Name	Classification	\$ per capita		Rank	Council Name	Classification	\$ per km	
23	Shire of Shark Bay	RTS	1,532.46		23	Town of East Fremantle	UDS	2,024.76	
24	Shire of Kulin	RAS	1,508.02		24	City of Wanneroo	UFV	2,004.61	
25	Shire of Dumbleyung	RAS	1,506.18		25	City of Nedlands	UDS	1,943.33	
26	Shire of Narembeen	RAS	1,492.85		26	City of Cockburn	UDL	1,941.52	
27	Shire of Dundas	RTS	1,426.45		27	City of Rockingham	UFV	1,917.88	
28	Shire of Wickiepin	RAS	1,425.37		28	City of Armadale	UFM	1,882.54	
29	Shire of Morawa	RAS	1,407.37		29	City of Mandurah	UFL	1,871.81	
30	Shire of Kondinin	RAS	1,388.69		30	City of Kwinana	UFM	1,852.92	
31	Shire of Dowerin	RAS	1,256.10		31	City of Subiaco	UDS	1,852.19	
32	Shire of Woodanilling	RAS	1,244.48		32	Town of Port Hedland	RTL	1,751.58	
33	Shire of Laverton	RTM	1,243.24		33	Town of Mosman Park	UDS	1,647.69	
34	Shire of Three Springs	RAS	1,183.40		34	Shire of Broome	RTL	1,637.74	
35	Shire of Quairading	RAS	1,175.95		35	Shire of Mundaring	UFM	1,571.15	
36	Shire of Kellerberrin	RAS	1,128.88		36	Shire of Toodyay	RAM	1,540.81	
37	Shire of Yilgarn	RAS	1,112.27		37	City of Karratha	URS	1,495.93	
38	Shire of Dalwallinu	RAS	1,082.07		38	Shire of Exmouth	RTM	1,466.16	
39	Shire of Lake Grace	RAS	1,049.51		39	Shire of Serpentine Jarrahdale	UFS	1,370.63	
40	Shire of Broomehill-Tambellup	RAS	1,013.32		40	Shire of Waroona	RAM	1,368.76	
41	Shire of Halls Creek	RTL	971.77		41	Shire of Manjimup	RAL	1,360.55	
42	Shire of Corrigin	RAS	965.55		42	Shire of Harvey	URS	1,356.69	
43	Shire of Wongan-Ballidu	RAS	930.61		43	City of Busselton	URM	1,316.92	
44	Shire of Coorow	RAS	869.72		44	Shire of Denmark	RAL	1,263.23	
45	Shire of Pingelly	RAS	750.18		45	City of Kalgoorlie-Boulder	URM	1,252.76	

## Western Australia councils ranked by grant funding 2018–19 (continued)

Western Australia councils ranked by funding per capita				Western Australia councils ranked by funding per km			
General purpose grant				Local roads grant			
Rank	Council Name	Classification	\$ per capita	Rank	Council Name	Classification	\$ per km
46	Shire of Cranbrook	RAS	667.53	46	City of Albany	URM	1,243.54
47	Shire of Carnarvon	RAL	659.25	47	Shire of Capel	URS	1,233.65
48	Shire of Brookton	RAS	655.79	48	Shire of Murray	RAV	1,227.54
49	Shire of Cuballing	RAS	643.81	49	Shire of Dardanup	RAV	1,214.01
50	Shire of Wandering	RAS	642.61	50	Shire of Wyndham East Kimberley	RTL	1,165.27
51	Shire of Ravensthorpe	RAS	639.16	51	Shire of Boddington	RAS	1,159.08
52	Shire of Mingenew	RAS	635.10	52	Shire of Cranbrook	RAS	1,145.26
53	Shire of Nannup	RAS	626.36	53	Shire of Augusta Margaret River	RSG	1,120.08
54	Shire of Cunderdin	RAS	607.89	54	Shire of Chittering	RAL	1,053.00
55	Shire of Victoria Plains	RAS	598.37	55	Shire of Northam	RAV	1,049.67
56	Shire of Gnowangerup	RAS	597.53	56	Shire of Gingin	RAL	986.34
57	Shire of Jerramungup	RAS	589.84	57	Shire of Nannup	RAS	980.87
58	Shire of West Arthur	RAS	569.63	58	Shire of Bridgetown Greenbushes	RAM	971.25
59	Shire of Exmouth	RTM	522.17	59	City of Greater Geraldton	URM	969.48
60	Shire of Derby West Kimberley	RTL	517.16	60	Shire of York	RAM	931.25
61	Shire of Wagin	RAS	489.08	61	Shire of Ngaanyatjaraku	RTM	907.16
62	Shire of Beverley	RAS	467.03	62	Shire of Beverley	RAS	875.06
63	Shire of Merredin	RAM	439.92	63	Shire of Carnarvon	RAL	834.50
64	Shire of Boyup Brook	RAS	425.45	64	Shire of Derby West Kimberley	RTL	815.22
65	Shire of Kojonup	RAS	405.66	65	Shire of Wagin	RAS	798.43
66	Shire of Leonora	RTM	401.97	66	Shire of Shark Bay	RTS	795.54
67	Shire of Wyndham East Kimberley	RTL	375.71	67	Shire of Halls Creek	RTL	792.03
68	Shire of Goomalling	RAS	368.70	68	Shire of East Pilbara	RTL	789.85

## Western Australia councils ranked by grant funding 2018–19 (continued)

Western Australia councils ranked by grant funding 2018–19 (continued)					Western Australia councils ranked by funding per km				
General purpose grant					Local roads grant				
Rank	Council Name	Classification	\$ per capita		Rank	Council Name	Classification	\$ per km	
69	Shire of Katanning	RAM	357.84		69	Shire of Moora	RAM	789.17	
70	Shire of Moora	RAM	349.91		70	Shire of Bruce Rock	RAS	764.45	
71	Shire of Narrogin	RAL	323.00		71	Shire of Boyup Brook	RAS	755.79	
72	Shire of Manjimup	RAL	304.79		72	Shire of Irwin	RAM	753.41	
73	Shire of Northampton	RAM	259.75		73	Shire of Brookton	RAS	737.28	
74	Shire of Bridgetown Greenbushes	RAM	258.16		74	Shire of Narrogin	RAL	734.26	
75	Shire of Chapman Valley	RAS	251.29		75	Shire of Dandaragan	RAM	726.37	
76	Shire of York	RAM	234.94		76	Shire of Mingenew	RAS	715.33	
77	Shire of Northam	RAV	227.93		77	Shire of Ashburton	RTL	714.65	
78	Shire of Dandaragan	RAM	224.52		78	Shire of Katanning	RAM	701.38	
79	Shire of East Pilbara	RTL	216.75		79	Shire of Plantagenet	RAL	675.99	
80	Shire of Donnybrook Balingup	RAL	216.46		80	Shire of Esperance	RAV	670.68	
81	Shire of Waroona	RAM	214.95		81	Shire of Victoria Plains	RAS	668.57	
82	Shire of Toodyay	RAM	209.04		82	Shire of Northampton	RAM	663.07	
83	Shire of Ashburton	RTL	206.21		83	Shire of Three Springs	RAS	661.21	
84	Shire of Gingin	RAL	166.96		84	Shire of Cunderdin	RAS	658.20	
85	Shire of Esperance	RAV	154.36		85	Shire of Broomehill-Tambellup	RAS	651.68	
86	Shire of Plantagenet	RAL	151.70		86	Shire of Cue	RTX	651.36	
87	Shire of Williams	RAS	151.67		87	Shire of Merredin	RAM	649.10	
88	Shire of Coolgardie	RTL	144.46		88	Shire of Williams	RAS	647.51	
89	Shire of Chittering	RAL	139.58		89	Shire of Quairading	RAS	647.38	
90	Shire of Collie	RAL	134.51		90	Shire of Wandering	RAS	642.88	
91	Shire of Broome	RTL	112.11		91	Shire of Coorow	RAS	642.62	

## Western Australia councils ranked by grant funding 2018–19 (continued)

Western Australia councils ranked by funding per capita					Western Australia councils ranked by funding per km				
General purpose grant					Local roads grant				
Rank	Council Name	Classification	\$ per capita		Rank	Council Name	Classification	\$ per km	
92	City of Greater Geraldton	URM	97.43		92	Shire of Corrigin	RAS	642.27	
93	Shire of Denmark	RAL	95.65		93	Shire of Pingelly	RAS	635.32	
94	Shire of Harvey	URS	62.59		94	Shire of Gnowangerup	RAS	623.58	
95	Shire of Dardanup	RAV	61.11		95	Shire of Goomalling	RAS	622.85	
96	Shire of Capel	URS	59.83		96	Shire of Carnamah	RAS	617.35	
97	Shire of Boddington	RAS	58.60		97	Shire of Dumbleyung	RAS	617.16	
98	Town of Port Hedland	RTL	58.31		98	Shire of Wyalkatchem	RAS	614.14	
99	City of Albany	URM	57.27		99	Shire of Dundas	RTS	611.03	
100	Shire of Serpentine Jarrahdale	UFS	54.02		100	Shire of Trayning	RAS	608.54	
101	Shire of Murray	RAV	52.01		101	Shire of Ravensthorpe	RAS	607.55	
102	Shire of Irwin	RAM	50.05		102	Shire of Coolgardie	RTL	604.74	
103	City of Karratha	URS	48.72		103	Shire of Kellerberrin	RAS	604.71	
104	Shire of Mundaring	UFM	32.30		104	Shire of West Arthur	RAS	604.43	
105	City of Kalgoorlie-Boulder	URM	26.39		105	Shire of Wongan-Ballidu	RAS	602.69	
106	City of Armadale	UFM	20.57		106	Shire of Kojoonup	RAS	599.81	
106	City of Bayswater	UDM	20.57		107	Shire of Nungarin	RAS	595.93	
106	City of Belmont	UDM	20.57		108	Shire of Chapman Valley	RAS	595.76	
106	City of Bunbury	URM	20.57		109	Shire of Cuballing	RAS	595.30	
106	City of Busselton	URM	20.57		110	Shire of Kondinin	RAS	593.38	
106	City of Canning	UDL	20.57		111	Shire of Dalwallinu	RAS	592.17	
106	City of Cockburn	UDL	20.57		112	Shire of Koorda	RAS	591.17	
106	City of Fremantle	UDM	20.57		113	Shire of Tammin	RAS	590.57	
106	City of Gosnells	UDV	20.57		114	Shire of Wickepin	RAS	590.17	

## Western Australia councils ranked by grant funding 2018–19 (continued)

Western Australia councils ranked by funding per capita				Western Australia councils ranked by funding per km			
General purpose grant				Local roads grant			
Rank	Council Name	Classification	\$ per capita	Rank	Council Name	Classification	\$ per km
106	City of Joondalup	UDV	20.57	115	Shire of Woodanilling	RAS	588.48
106	City of Kalamunda	UFM	20.57	116	Shire of Mukinbudin	RAS	585.71
106	City of Kwinana	UFM	20.57	117	Shire of Perenjori	RAS	583.50
106	City of Mandurah	UFL	20.57	118	Shire of Kulin	RAS	583.20
106	City of Melville	UDL	20.57	119	Shire of Morawa	RAS	582.65
106	City of Nedlands	UDS	20.57	120	Shire of Jerramungup	RAS	580.26
106	City of Perth	UCC	20.57	121	Shire of Dowerin	RAS	578.44
106	City of Rockingham	UFV	20.57	122	Shire of Westonia	RAS	576.99
106	City of South Perth	UDM	20.57	123	Shire of Narembeen	RAS	566.47
106	City of Stirling	UDV	20.57	124	Shire of Lake Grace	RAS	565.64
106	City of Subiaco	UDS	20.57	125	Shire of Mount Magnet	RTS	552.94
106	City of Swan	UFV	20.57	126	Shire of Kent	RAS	549.61
106	City of Vincent	UDS	20.57	127	Shire of Murchison	RTX	538.00
106	City of Wanneroo	UFV	20.57	128	Shire of Yalgoo	RTX	521.45
106	Shire of Augusta Margaret River	RSG	20.57	129	Shire of Yilgarn	RAS	520.41
106	Shire of Peppermint Grove	UDS	20.57	130	Shire of Mount Marshall	RAS	519.70
106	Town of Bassendean	UDS	20.57	131	Shire of Leonora	RTM	515.63
106	Town of Cambridge	UDS	20.57	132	Shire of Meekatharra	RTM	507.91
106	Town of Claremont	UDS	20.57	133	Shire of Upper Gascoyne	RTX	490.64
106	Town of Cottesloe	UDS	20.57	134	Shire of Sandstone	RTX	488.16
106	Town of East Fremantle	UDS	20.57	135	Shire of Wiluna	RTS	455.95
106	Town of Mosman Park	UDS	20.57	136	Shire of Menzies	RTS	451.51
106	Town of Victoria Park	UDM	20.57	137	Shire of Laverton	RTM	229.19

Table 55 South Australia councils ranked by grant funding 2018–19

South Australia councils ranked by funding per capita					South Australia councils ranked by funding per km				
General purpose grant					Local roads grant				
Rank	Council Name	Classification	\$ per capita		Rank	Council Name	Classification	\$ per km	
	State average		68.63			State average		526.54	
1	Maralinga Tjarutja	RTX	1,594.48		1	City of Onkaparinga	UFV	2,644.51	
2	District Council of Ororoo Carrieton	RAS	1,031.20		2	Renmark Paranga Council	RAL	2,515.55	
3	District Council of Karoonda East Murray	RAS	1,030.67		3	City of Prospect	UDS	2,377.74	
4	Wudinna District Council	RAS	908.51		4	Corporation of the City of Unley	UDM	2,345.26	
5	District Council of Kimba	RAS	903.64		5	City of Salisbury	UDV	2,327.03	
6	District Council of Franklin Harbour	RAS	752.77		6	Corporation of the City of Norwood Payneham and St Peters	UDM	2,292.71	
7	District Council of Peterborough	RAS	749.19		7	Corporation of the Town of Walkerville	UDS	2,273.42	
8	The Flinders Ranges Council	RAS	695.21		8	City of Port Adelaide Enfield	UDV	2,272.64	
9	District Council of Elliston	RAS	660.44		9	City of Holdfast Bay	UDM	2,202.87	
10	Yalata Anangu Aboriginal Corporation	RTX	657.07		10	City of West Torrens	UDM	2,160.28	
11	District Council of Streaky Bay	RAM	641.92		11	Corporation of the City of Campbelltown	UDM	2,136.99	
12	Regional Council of Goyder	RAM	604.98		12	City of Charles Sturt	UDL	2,125.41	
13	District Council of Cleve	RAS	568.10		13	City of Burnside	UDM	2,097.04	
14	District Council of Ceduna	RAM	555.95		14	Corporation of the City of Marion	UDL	2,086.58	
15	District Council of Mount Remarkable	RAM	547.38		15	The Corporation of the City of Adelaide	UCC	2,084.02	
16	Southern Mallee District Council	RAM	532.83		16	Corporation of the City of Tea Tree Gully	UDL	1,931.61	
17	Outback Communities Authority	RTM	508.41		17	City of Mitcham	UDM	1,923.49	
18	Anangu Pitjantjatjara Inc	RTM	472.20		18	City of Mount Gambier	URS	1,815.55	
19	Tatiara District Council	RAL	425.81		19	Municipal Council of Roxby Downs	URS	1,703.51	
20	District Council of Coober Pedy	URS	425.07		20	Town of Gawler	UFS	1,639.54	
21	Coorong District Council	RAL	419.95		21	City of Playford	UFL	1,601.10	



## South Australia councils ranked by grant funding 2018–19 (continued)

South Australia councils ranked by funding per capita				South Australia councils ranked by funding per km			
General purpose grant				Local roads grant			
Rank	Council Name	Classification	\$ per capita	Rank	Council Name	Classification	\$ per km
22	Mid Murray Council	RAL	354.76	22	Berri Barmera Council	RAV	1,523.94
23	Kangaroo Island Council	RAM	329.01	23	City of Port Lincoln	URS	1,419.65
24	Naracoorte Lucindale Council	RAL	309.18	24	Corporation of the City of Whyalla	URS	1,383.60
25	Northern Areas Council	RAM	296.78	25	District Council of Mount Barker	URM	773.01
26	District Council of Loxton Waikerie	RAV	293.32	26	District Council of Elliston	RAS	768.10
27	Nipapanha Community Aboriginal Corporation	RTX	292.75	27	Corporation of the City of Port Augusta	URS	708.88
28	Wakefield Regional Council	RAL	270.23	28	Adelaide Hills Council	UFM	704.91
29	Renmark Paringa Council	RAL	247.91	29	Yalata Anangu Aboriginal Corporation	RTX	693.15
30	Port Pirie Regional Council	RAV	223.20	30	City of Victor Harbor	URS	692.32
31	Berri Barmera Council	RAV	213.28	31	District Council of Robe	RAS	555.87
32	Kingston District Council	RAM	212.77	32	Rural City of Murray Bridge	URS	509.18
33	Wattle Range Council	RAV	210.55	33	The Barossa Council	UFS	502.05
34	Gerard Community Council Aboriginal Corporation	RTX	205.07	34	Tatiara District Council	RAL	496.65
35	District Council of Tumby Bay	RAM	191.00	35	Southern Mallee District Council	RAM	474.00
36	Corporation of the City of Port Augusta	URS	187.88	36	District Council of Orreroo Carrieton	RAS	468.25
37	Corporation of the City of Whyalla	URS	181.27	37	Alexandrina Council	UFS	445.88
38	Rural City of Murray Bridge	URS	155.18	38	Copper Coast Council	RAV	368.20
39	District Council of Grant	RAL	152.01	39	Coorong District Council	RAL	359.70
40	Barunga West Council	RAM	129.84	40	Port Pirie Regional Council	RAV	351.56
41	Adelaide Plains Council	RAL	126.71	41	District Council of Grant	RAL	349.36
42	Yorke Peninsula Council	RAV	122.58	42	Mid Murray Council	RAL	347.29
43	Copper Coast Council	RAV	106.93	43	Kingston District Council	RAM	340.64

## South Australia councils ranked by grant funding 2018–19 (continued)

South Australia councils ranked by funding per capita				South Australia councils ranked by funding per km			
General purpose grant				Local roads grant			
Rank	Council Name	Classification	\$ per capita	Rank	Council Name	Classification	\$ per km
44	City of Playford	UFL	103.19	44	Wattle Range Council	RAV	340.45
45	City of Mount Gambier	URS	98.68	45	District Council of Loxton Waikerie	RAV	327.42
46	City of Port Lincoln	URS	90.85	46	District Council of Lower Eyre Peninsula	RAL	321.59
47	District Council of Lower Eyre Peninsula	RAL	80.11	47	Naracoorte Lucindale Council	RAL	308.31
48	Clare and Gilbert Valleys Council	RAL	78.38	48	District Council of Yankalilla	RAL	304.04
49	Town of Gawler	UFS	58.90	49	Kangaroo Island Council	RAM	302.15
50	City of Salisbury	UDV	46.96	50	Light Regional Council	RAV	295.09
51	Municipal Council of Roxby Downs	URS	31.99	51	District Council of Franklin Harbour	RAS	286.52
52	City of Onkaparinga	UFV	31.53	52	Adelaide Plains Council	RAL	276.54
53	Alexandrina Council	UFS	29.86	53	District Council of Streaky Bay	RAM	274.82
54	The Barossa Council	UFS	29.05	54	District Council of Karoonda East Murray	RAS	269.84
55	District Council of Yankalilla	RAL	25.63	55	District Council of Ceduna	RAM	264.59
56	Light Regional Council	RAV	25.38	56	District Council of Cleve	RAS	263.00
57	District Council of Mount Barker	URM	22.25	57	The Flinders Ranges Council	RAS	244.54
58	Adelaide Hills Council	UFM	20.59	58	District Council of Tumby Bay	RAM	243.72
58	City of Burnside	UDM	20.59	59	Regional Council of Goyder	RAM	242.65
58	City of Charles Sturt	UDL	20.59	60	Wudinna District Council	RAS	242.22
58	City of Holdfast Bay	UDM	20.59	61	Clare and Gilbert Valleys Council	RAL	218.75
58	City of Mitcham	UDM	20.59	62	Barunga West Council	RAM	215.28
58	City of Port Adelaide Enfield	UDV	20.59	63	Yorke Peninsula Council	RAV	214.29
58	City of Prospect	UDS	20.59	64	District Council of Peterborough	RAS	204.56
58	City of Victor Harbor	URS	20.59	65	Wakefield Regional Council	RAL	202.87

## South Australia councils ranked by grant funding 2018–19 (continued)

South Australia councils ranked by funding per capita					South Australia councils ranked by funding per km				
General purpose grant					Local roads grant				
Rank	Council Name	Classification	\$ per capita		Rank	Council Name	Classification	\$ per km	
58	City of West Torrens	UDM	20.59		66	Northern Areas Council	RAM	187.80	
58	Corporation of the City of Campbelltown	UDM	20.59		67	District Council of Mount Remarkable	RAM	182.46	
58	Corporation of the City of Marion	UDL	20.59		68	District Council of Kimba	RAS	181.48	
58	Corporation of the City of Norwood Payneham and St Peters	UDM	20.59		69	District Council of Coober Pedy	URS	113.21	
58	Corporation of the City of Tea Tree Gully	UDL	20.59		70	Anangu Pitjantjatjara Inc	RTM	48.53	
58	Corporation of the City of Unley	UDM	20.59		71	Gerard Community Council Aboriginal Corporation	RTX	0.00	
58	Corporation of the Town of Walkerville	UDS	20.59		71	Maralinga Tjarutja	RTX	0.00	
58	District Council of Robe	RAS	20.59		71	Nipapanha Community Aboriginal Corporation	RTX	0.00	
58	The Corporation of the City of Adelaide	UCC	20.59		71	Outback Communities Authority	RTM	0.00	

Table 56 Tasmania councils ranked by grant funding 2018–19

Tasmania councils ranked by funding per capita					Tasmania councils ranked by funding per km				
General purpose grant					Local roads grant				
Rank	Council Name	Classification	\$ per capita		Rank	Council Name	Classification	\$ per km	
	<b>State average</b>		<b>68.73</b>			<b>State average</b>		<b>2,801.66</b>	
1	Flinders Council	RTS	676.29		1	Hobart City Council	UCC	5,375.07	
2	King Island Council	RAS	509.77		2	Glenorchy City Council	URM	4,541.69	
3	Central Highlands Council	RAM	442.51		3	Devonport City Council	URS	4,353.43	
4	West Coast Council	RAM	317.94		4	Launceston City Council	URM	3,926.37	
5	Southern Midlands Council	RAL	285.90		5	West Coast Council	RAM	3,884.91	
6	Kentish Council	RAL	241.66		6	Clarence City Council	UFM	3,442.85	
7	Dorset Council	RAL	231.26		7	Burnie City Council	URS	3,419.28	
8	Break O'day Council	RAL	212.24		8	Brighton Council	URS	3,256.24	
9	Tasman Council	RAM	190.04		9	George Town Council	RAL	2,966.21	
10	Circular Head Council	RAL	153.58		10	Break O'day Council	RAL	2,887.75	
11	George Town Council	RAL	149.01		11	Central Coast Council	URS	2,821.20	
12	Derwent Valley Council	RAV	135.38		12	Derwent Valley Council	RAV	2,775.52	
13	Huon Valley Council	RAV	118.15		13	Sorell Council	RAV	2,764.75	
14	Waratah/Wynyard Council	RAV	114.90		14	West Tamar Council	UFS	2,720.55	
15	Meander Valley Council	RAV	107.74		15	Kingborough Council	UFM	2,701.89	
16	Central Coast Council	URS	93.83		16	Dorset Council	RAL	2,663.91	
17	West Tamar Council	UFS	85.72		17	Latrobe Council	RAV	2,636.17	
18	Northern Midlands Council	RAV	84.61		18	Meander Valley Council	RAV	2,598.39	
19	Sorell Council	RAV	80.00		19	Waratah/Wynyard Council	RAV	2,584.93	
20	Latrobe Council	RAV	75.16		20	Glamorgan Spring Bay Council	RAM	2,582.07	
21	Brighton Council	URS	72.03		21	Circular Head Council	RAL	2,532.07	

## Tasmania councils ranked by grant funding 2018–19 (continued)

Tasmania councils ranked by funding per capita					Tasmania councils ranked by funding per km				
General purpose grant					Local roads grant				
Rank	Council Name	Classification	\$ per capita		Rank	Council Name	Classification	\$ per km	
22	Glamorgan Spring Bay Council	RAM	61.40		22	Tasman Council	RAM	2,491.11	
23	Burnie City Council	URS	57.32		23	Northern Midlands Council	RAV	2,442.27	
24	Devonport City Council	URS	39.82		24	Kentish Council	RAL	2,423.62	
25	Clarence City Council	UFM	20.62		25	Huon Valley Council	RAV	2,293.86	
25	Glenorchy City Council	URM	20.62		26	King Island Council	RAS	2,288.26	
25	Hobart City Council	UCC	20.62		27	Flinders Council	RTS	2,083.70	
25	Kingborough Council	UFM	20.62		28	Southern Midlands Council	RAL	1,999.78	
25	Launceston City Council	URM	20.62		29	Central Highlands Council	RAM	1,950.35	

Table 57 Northern Territory councils ranked by grant funding 2018–19

Northern Territory councils ranked by funding per capita					Northern Territory councils ranked by funding per km				
General purpose grant					Local roads grant				
Rank	Council Name	Classification	\$ per capita		Rank	Council Name	Classification	\$ per km	
State average				70.77	State average				1,321.24
1	East Arnhem Regional Council	RTL	307.22		1	Alice Springs Town Council	URS	3,867.93	
2	Roper Gulf Regional Council	RTL	266.51		2	Litchfield Council	RAV	3,562.57	
3	MacDonnell Regional Council	RTS	263.95		3	City of Darwin	UCC	3,555.55	
4	Central Desert Regional Council	RTL	252.87		4	Katherine Town Council	URS	3,396.98	
5	Barkly Regional Council	RTL	229.00		5	Wagait Shire Council	RTX	3,305.77	
6	West Arnhem Regional Council	RTL	177.89		6	City of Palmerston	UFS	3,303.04	
7	Victoria Daly Regional Council	RTL	152.74		7	Coomalie Community Government Council	RTM	2,718.74	
8	Tiwi Islands Regional Council	RTM	150.82		8	Victoria Daly Regional Council	RTL	2,090.81	
9	Belyuen Community Government Council	RTX	146.08		9	East Arnhem Regional Council	RTL	1,281.70	
10	West Daly Regional Council	RTL	145.67		10	West Daly Regional Council	RTL	1,270.62	
11	Katherine Town Council	URS	55.29		11	Tiwi Islands Regional Council	RTM	1,155.46	
12	Alice Springs Town Council	URS	25.49		12	Roper Gulf Regional Council	RTL	1,146.63	
13	Wagait Shire Council	RTX	23.42		13	West Arnhem Regional Council	RTL	966.04	
14	City of Darwin	UCC	21.23		14	Barkly Regional Council	RTL	819.00	
14	City of Palmerston	UFS	21.23		15	Local Government Association of the Northern Territory Inc	URL	738.73	
14	Coomalie Community Government Council	RTM	21.23		16	MacDonnell Regional Council	RTS	641.44	
14	Litchfield Council	RAV	21.23		17	Central Desert Regional Council	RTL	497.72	
15	Local Government Association of the Northern Territory Inc	URL	0.00		18	Belyuen Community Government Council	RTX	392.94	







# Appendix F

## Australian Classification of Local Governments

The Australian Classification of Local Governments (ACLG) was first published in September 1994. The ACLG categorises local governing bodies across Australia using the population, the population density and the proportion of the population that is classified as urban, for each council.

The local governing bodies included in the classification system are those that receive funding under the Financial Assistance Grant program as defined under the Act. Therefore, bodies declared by the Australian Government Minister on the advice of the state minister to be local governing bodies for the purposes of the Act, are included in the ACLG.

The classification system generally involves three steps. Each step allocates a prefix formed from letters of the alphabet to develop a three-letter identifier for each class of local government. There are a total of 22 categories. For example, a medium-sized council in a rural agricultural area would be classified as RAM—rural, agricultural, medium. If it were remote, however, it would be classified as RTM—rural, remote, medium. Table 58 below provides information on the structure of the classification system.

Notwithstanding the capacity of the ACLG system to group like councils, it should be noted that there remains considerable scope for divergence within these categories, and for this reason the figures in Appendix D should be taken as a starting point for enquiring into grant outcomes. This divergence can occur because of factors including isolation, population distribution, local economic performance, daily or seasonal population changes, the age profile of the population and geographic differences. The allocation of the general purpose grant between states on an equal per capita basis and the local road grant on a fixed shares basis can also cause divergence.

To ensure the ACLG is kept up-to-date, Local Government Grants Commissions advise of any changes to the actual location of councils, within the ACLG, in their state at the end of each financial year.

The Department of Infrastructure, Transport, Regional Development and Communications is planning to phase out the ACLG framework and to replace it with the Australian Statistical Geography Standard's (ASGS') remoteness classifications, produced by the Australian Bureau of Statistics. If you have any questions or would like to provide comments or feedback, please email [local.government@infrastructure.gov.au](mailto:local.government@infrastructure.gov.au).

Table 58 Structure of the classification system

Step 1	Step 2	Step 3	Identifiers	Category
URBAN (U)				
Population more than 20,000 OR if population less than 20,000 EITHER population density more than 30 persons per square kilometre OR 90 per cent or more of the local governing body population is urban.	CAPITAL CITY (CC)	Not applicable		UCC
	METROPOLITAN DEVELOPED (D) Part of an urban centre of more than 1,000,000 or population density more than 600 per square kilometre	SMALL (S)	up to 30,000	UDS
		MEDIUM (M)	30,001–70,000	UDM
		LARGE (L)	70,001–120,000	UDL
		VERY LARGE (V)	more than 120,000	UDV
	REGIONAL TOWNS/CITY (R) Part of an urban centre with population less than 1,000,000 and predominantly urban in nature	SMALL (S)	up to 30,000	URS
		MEDIUM (M)	30,001–70,000	URM
		LARGE (L)	70,001–120,000	URL
		VERY LARGE (V)	more than 120,000	URV
	FRINGE (F) A developing LGA on the margin of a developed or regional urban centre	SMALL (S)	up to 30,000	UFS
		MEDIUM (M)	30,001–70,000	UFM
		LARGE (L)	70,001–120,000	UFL
		VERY LARGE (V)	more than 120,000	UFV
RURAL (R)				
A local governing body with population less than 20,000 AND population density less than 30 persons per square kilometre AND less than 90 per cent of local governing body is urban.	SIGNIFICANT GROWTH (SG) Average annual population growth more than three per cent, population more than 5,000 and not remote	Not applicable		RSG
	AGRICULTURAL (A)	SMALL (S)	up to 2,000	RAS
		MEDIUM (M)	2,001–5,000	RAM
		LARGE (L)	5,001–10,000	RAL
		VERY LARGE (V)	10,001–20,000	RAV
	REMOTE (T)	EXTRA SMALL (X)	up to 400	RTX
		SMALL (S)	401–1,000	RTS
		MEDIUM (M)	1,001–3,000	RTM
		LARGE (L)	3,001–20,000	RTL

Table 59 Categories of local governments by state at July 2018

ACLG categories	NSW	Vic	Qld	WA	SA	Tas	NT*	Australia
Urban Capital City (UCC)	1	1	1	1	1	1	1	7
Urban Developed Small (UDS)	1	0	0	10	2	0	0	13
Urban Developed Medium (UDM)	5	0	0	5	7	0	0	17
Urban Developed Large (UDL)	3	7	0	3	3	0	0	16
Urban Developed Very Large (UDV)	14	15	0	3	2	0	0	34
Urban Regional Small (URS)	8	5	5	3	8	4	2	35
Urban Regional Medium (URM)	18	11	8	5	1	2	0	45
Urban Regional Large (URL)	8	3	4	0	0	0	0	15
Urban Regional Very Large (URV)	3	1	9	0	0	0	0	13
Urban Fringe Small (UFS)	0	1	1	1	3	1	1	8
Urban Fringe Medium (UFM)	2	3	2	4	1	2	0	14
Urban Fringe Large (UFL)	2	1	0	1	1	0	0	5
Urban Fringe Very Large (UFV)	5	6	0	3	1	0	0	15
Rural Significant Growth (RSG)	0	0	0	1	0	0	0	1
Rural Agricultural Small (RAS)	2	0	0	51	10	1	0	64
Rural Agricultural Medium (RAM)	13	1	1	10	10	4	0	39
Rural Agricultural Large (RAL)	22	7	0	9	11	6	0	55
Rural Agricultural Very Large (RAV)	19	17	8	4	7	7	1	63
Rural Remote Extra Small (RTX)	3	0	7	5	4	0	2	21
Rural Remote Small (RTS)	0	0	10	5	0	1	1	17
Rural Remote Medium (RTM)	1	0	13	5	2	0	2	23
Rural Remote Large (RTL)	1	0	8	8	0	0	7	24
<b>Total</b>	<b>131</b>	<b>79</b>	<b>77</b>	<b>137</b>	<b>74</b>	<b>29</b>	<b>17</b>	<b>544</b>

\* NT total excludes Road Trust Account



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