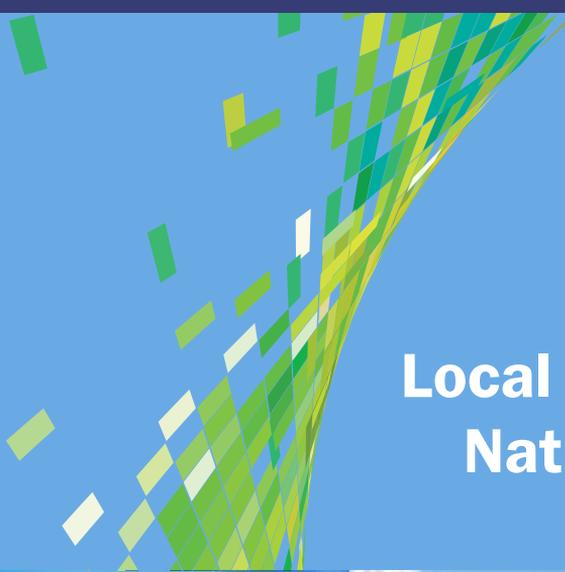




Australian Government

Department of Infrastructure, Transport,  
Regional Development and Communications



# Local Government National Report



## 2016-17

2016-17 report on the operation of the *Local Government (Financial Assistance) Act 1995*





**Australian Government**

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

# Local Government National Report



## 2016-17

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# Transmittal Letter



Australian Government  
Department of Infrastructure, Transport,  
Regional Development and Communications

Secretary  
Simon Atkinson

EC19-001067

The Hon Mark Coulton MP  
Minister for Regional Health, Regional Communications and Local Government  
Parliament House  
CANBERRA ACT 2600

Dear Minister

#### Tabling of the 2016-17 Local Government National Report

In accordance with Section 16 of the *Local Government (Financial Assistance) Act 1995 (the Act)*, I provide you with the 2016-17 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 handwritten signature in black ink, appearing to read 'Simon Atkinson'.

Simon Atkinson

6 March 2020



# Contents

Transmittal Letter .....	vi
List of tables .....	vi
List of figures .....	viii
<b>Chapter 1</b> Local Government in Australia.....	1
Local government functions.....	1
Population .....	2
Diversity .....	2
Aboriginal and Torres Strait Islander councils .....	2
National representation of local government .....	2
Australian Government grants to local government.....	3
Local government finances .....	3
Local government expenditure .....	6
Assets and liabilities .....	6
<b>Chapter 2</b> Financial Assistance Grant program .....	9
History of the arrangements .....	9
Quantum of financial assistance grant allocations .....	10
Overview of current arrangements .....	11
Determining the quantum of the grant .....	12
Objects of the Act.....	12
Pause on indexation .....	12
Determining entitlements for 2016–17 and 2017–18.....	13
National Principles for the allocation of grants under the Act.....	21
Determining the distribution of grants within jurisdictions.....	21
Bodies eligible to receive funding under the Financial Assistance Grant program .....	22
Methodologies of local government grants commissions .....	23
Allocations to local government in 2016–17 .....	24
Local governing bodies on the minimum grant .....	27
Council changes.....	32
Comparing councils .....	32
Reviews of local government grants commission methodologies.....	32
Impact of local government grants commission capping policies .....	33

Chapter 3	Local government efficiency and performance .....	35
	Developments in long-term financial and asset management plans.....	35
	Performance measures between local governing bodies.....	36
	Efficiency and effectiveness reforms .....	39
Chapter 4	Aboriginal and Torres Strait Islander communities .....	43
	Reporting requirements .....	43
	Closing the Gap .....	43
	State, territory and local government initiatives.....	43
Appendix A	National Principles .....	49
Appendix B	Jurisdictional submissions.....	53
	Report from the New South Wales Government.....	53
	Report from the Victorian Government .....	66
	Report from the Queensland Government.....	80
	Report from the Local Government Association of Queensland .....	87
	Report from the Western Australian Government .....	91
	Report from the Western Australian Local Government Association .....	102
	Report from the South Australian Government and the Local Government Association of South Australia.....	110
	Report from the Government of Tasmania .....	123
	Report from the Northern Territory Government .....	131
	Report from the Australian Capital Territory Government.....	137
	Report from the Australian Local Government Association.....	142
Appendix C	Comparison of distribution models.....	145
	General purpose .....	145
	Revenue assessments .....	149
	Local road component.....	156
Appendix D	Local governing body distribution in 2016–17.....	159
Appendix E	Ranking of local governing bodies .....	189
Appendix F	Australian Classification of Local Governments .....	209
	Index of local governments.....	213
	Alphabetical index.....	219

## List of tables

Table 1	Share of taxation revenue by sphere of government and source, 2016–17 .....	4
Table 2	Local government revenue sources by jurisdiction in 2016–17 .....	5
Table 3	Local government expenditure by purpose and jurisdiction in 2016–17 .....	6
Table 4	Local government assets in 2016–17 .....	7
Table 5	Local government liabilities and net worth and debt in 2016–17 .....	7
Table 6	National financial assistance grant allocations, 1974–75 to 2016–17 .....	10
Table 7	Final entitlements and adjustments for 2016–17 .....	14
Table 8	Estimated entitlements and cash paid in 2016–17 .....	15
Table 9	2016–17 final entitlement allocations of general purpose and local road grants among jurisdictions .....	19
Table 10	2016–17 final entitlement and percentage change from 2015–16 .....	20
Table 11	Distribution of local governing bodies, by type and jurisdiction .....	23
Table 12	Average general purpose component per capita to councils 2016–17 .....	25
Table 13	Average local road component per kilometre to councils 2016–17 .....	26
Table 14	Councils on the minimum grant, by jurisdiction, 2006–07 to 2016–17 .....	28
Table 15	Status of most recent major methodology reviews by state, as at 30 June 2017 .....	33
Table 16	Victoria’s major cost drivers and average expenditures .....	67
Table 17	Victoria’s average grant revenue .....	68
Table 18	Victorian property classes average rates .....	69
Table 19	Victorian standard fees and charges .....	70
Table 20	Victorian changes from 2015–16 to 2016–17 for estimated general purpose .....	71
Table 21	Victorian natural disaster assistance grants .....	72
Table 22	Variations in Victoria’s local road length .....	73
Table 23	Victorian asset preservation costs .....	73
Table 24	Victorian changes in estimated local roads grant entitlements .....	75
Table 25	Queensland revenue assessment model .....	81
Table 26	Outline of expenditure assessment 2016–17 .....	82
Table 27	Queensland road expenditure assessment model .....	83
Table 28	Queensland allowances given for heavy vehicles .....	83
Table 29	Allocations for special projects in Western Australia .....	92
Table 30	Western Australian special projects funds for Indigenous access roads .....	92
Table 31	Western Australia 2016–17 special projects for bridges .....	93
Table 32	Western Australian disabilities applied to expenditure standards .....	94
Table 33	Data sources used by Western Australia .....	95

Table 34	South Australia's expenditure functions included in the methodology .....	113
Table 35	South Australia's calculated standards by function .....	115
Table 36	Tasmanian data sources .....	125
Table 37	Distribution models used for general purpose grants for 2016–17 allocations .....	146
Table 38	Scope of equalisation in commissions' models for general purpose grants ...	148
Table 39	Grants treated by inclusion for 2016–17 by jurisdiction .....	151
Table 40	Allocating local road grants in 2016–17 .....	157
Table 41	Distribution to councils in New South Wales for 2016–17 .....	160
Table 42	Distribution to councils in Victoria for 2016–17 .....	166
Table 43	Distribution to councils in Queensland for 2016–17 .....	170
Table 44	Distribution to councils in Western Australia for 2016–17 .....	174
Table 45	Distribution to councils in South Australia for 2016–17 .....	181
Table 46	Distribution to councils in Tasmania for 2016–17 .....	185
Table 47	Distribution to councils in Northern Territory for 2016–17 .....	187
Table 48	New South Wales councils ranked by grant funding 2016–17 .....	190
Table 49	Victoria councils ranked by grant funding 2016–17 .....	194
Table 50	Queensland councils ranked by grant funding 2016–17 .....	197
Table 51	Western Australian councils ranked by grant funding 2016–17 .....	200
Table 52	South Australian councils ranked by grant funding 2016–17 .....	204
Table 53	Tasmanian councils ranked by grant funding 2016–17 .....	207
Table 54	Northern Territory councils ranked by grant funding 2016–17 .....	208
Table 55	Structure of the classification system .....	210
Table 56	Categories of local governments by state at July 2016 .....	211

## List of figures

Figure 1	Determining the final factor for 2016–17 .....	16
Figure 2	Determining the estimated factor for 2017–18.....	17
Figure 3	Local government grants commissions .....	22
Figure 4	Internet addresses for local government grants commissions .....	24
Figure 5	National Principles governing allocation by states and the Northern Territory among local governing bodies – general purpose.....	50
Figure 6	National principles governing allocation by states and the Northern Territory among local governing bodies – identified local road.....	51
Figure 7	What is horizontal equalisation?.....	51
Figure 8	Victoria’s net standardised expenditure.....	68
Figure 9	Victorian calculation of the network cost for a single traffic volume range.....	74
Figure 10	Queensland rating assessment .....	81





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* (Cwth) (the Act) is an important means used to achieve these goals.

During 2016–17, 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; and the Silverton, Tibooburra villages, and Lord Howe Island in New South Wales; and
- 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 2017 was 24,598,900, an increase of 388,100 persons or 1.6 per cent from 30 June 2016. All states and territories experienced positive growth for the year ending 30 June 2017. Victoria recorded the fastest growth rate (2.3 per cent) while the Northern Territory recorded the slowest (0.1 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

The interests of local government are represented through a number of groups, including the Australian Local Government Association and the Council of Australian Governments.

### Council of Australian Governments

Council of Australian Governments (COAG) is the peak inter-governmental forum in Australia. It comprises the Prime Minister, state premiers, territory chief ministers and the Australian Local Government Association President. COAG was established in May 1992 and its role is to initiate, develop and monitor the implementation of policy reforms of national significance. It requires co-operative action by all Australian governments.

COAG establishes inter-governmental agreements that signify 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. Further information is available at [www.coag.gov.au](http://www.coag.gov.au).

## 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. It represents the interests of local government through its participation in the Council of Australian Governments and other ministerial councils. Further information is available at [www.alga.asn.au](http://www.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 2016–17, the Australian Government provided \$3.5 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 2017–18 and paid this funding to states and territories in June 2017. The means of distributing funding provided under the Financial Assistance Grant program is discussed in Chapter 2. Allocations to local governing bodies for 2016–17 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 2016–17, total specific purpose payments were estimated in the 2016–17 Budget to total \$55.2 billion, an increase of \$5.2 billion compared with \$50.0 billion in 2015–16 (Australian Government, Budget measures: *Budget paper Number 3, 2016–17*).

## Local government finances

### Share of taxation revenue by sphere of government

Local government's taxation revenue increased by 4.8 per cent from 2015–16 to \$17.4 billion in 2016–17. Local government's taxation revenue in 2016–17 amounted to 3.6 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 (Australian Bureau of Statistics, *Taxation Revenue, Australia, 2016–17, ABS cat. Number 5506.0*). Table 1 provides further information on the local government share of taxation revenue in 2016–17.

Table 1 Share of taxation revenue by sphere of government and source, 2016-17

<b>Revenue source</b>	<b>Federal %</b>	<b>State %</b>	<b>Local %</b>	<b>Total %</b>
Taxes on income	57.6	–	–	57.6
Employers payroll taxes	0.1	4.7	–	4.7
Taxes on property	–	7.2	3.6	10.8
Taxes on provision of goods and services	20.7	2.5	–	23.1
Taxes on use of goods and performance activities	1.4	2.4	–	3.8
<b>Total</b>	<b>79.8</b>	<b>16.8</b>	<b>3.6</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, 2016-17, Total Taxation Revenue*, ABS cat. Number 5506.0.

## Local government revenue sources

In 2016-17, councils raised 89.2 per cent of their own revenue, with grants and subsidies making up the remaining 10.8 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 2016–17

Revenue source		NSW	Vic	Qld	WA	SA	Tas	NT	Total
<b>Own-source revenue</b>									
Taxation	\$m	4 388	4 967	3 802	2 255	1 490	388	127	17 418
	%	30.9	46.9	31.9	45.6	60.4	45.6	21.5	38.2
Sales of goods and services	\$m	4 653	1 881	3 977	985	422	168	104	12 190
	%	32.8	17.8	33.4	19.9	17.1	19.8	17.6	26.8
Interest	\$m	318	94	210	111	19	12	8	772
	%	2.2	0.9	1.8	2.2	0.8	1.4	1.4	1.7
Other*	\$m	3 136	2 456	3 021	1 075	239	135	192	10 253
	%	22.1	23.2	25.4	21.7	9.7	15.9	32.5	22.5
<b>Total own-source revenue</b>		<b>12 495</b>	<b>9 398</b>	<b>11 010</b>	<b>4 426</b>	<b>2 170</b>	<b>703</b>	<b>431</b>	<b>40 633</b>
Grants and subsidies	\$m	1 705	1 193	905	521	296	147	160	4 928
	%	12.0	11.3	7.6	10.5	12.0	17.3	27.1	10.8
Total grant revenue		1 705	1 193	905	521	296	147	160	4 928
<b>Total revenue</b>	<b>\$m</b>	<b>14 200</b>	<b>10 591</b>	<b>11 916</b>	<b>4 947</b>	<b>2 466</b>	<b>850</b>	<b>591</b>	<b>45 560</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>

\* 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.

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

Source: Australian Bureau of Statistics, *Government Finance Statistics, Australia, 2016–17*, ABS cat. Number 5512.0.

## Local government revenue – taxes

One way local governments raise taxes is through rates on property. In 2016–17, 38.2 per cent of local government revenue nationally came from rates. The proportion of revenue from rates varied notably between jurisdictions—from a high of 60.4 per cent for South Australia to a low of 21.5 per cent for the Northern Territory—and 22.5 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 26.8 per cent of its revenue in 2016–17 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 72.9 per cent of their own revenue. In the remaining states, the proportion of revenue raised from own sources ranged from 88.0 per cent for both New South Wales and South Australian councils to 92.4 per cent for Queensland councils (Table 2).

## Local government expenditure

Local government expenditure is primarily on housing and community amenities (24.3 per cent) followed by transport and communication (21.5 per cent) and general public services (17.6 per cent) (Table 3).

Table 3 Local government expenditure by purpose and jurisdiction in 2016–17

<b>Expenditure</b>		<b>NSW</b>	<b>Vic</b>	<b>Qld</b>	<b>WA</b>	<b>SA</b>	<b>Tas</b>	<b>NT</b>	<b>Total</b>
Agriculture, forestry and fishing	<b>\$m</b>	–	2	23	–	8	–	–	34
	<b>%</b>	–	0.0	0.2	–	0.4	–	–	0.1
Education	<b>\$m</b>	64	127	6	5	–	–	1	203
	<b>%</b>	0.6	1.5	0.1	0.1	–	–	0.2	0.6
Fuel and energy	<b>\$m</b>	–	–	4	2	10	–	–	16
	<b>%</b>	–	–	0.0	0.0	0.5	–	–	0.0
General public services	<b>\$m</b>	1 519	1 468	2 362	561	124	131	177	6 342
	<b>%</b>	14.0	17.8	25.2	13.7	5.8	18.5	37.0	17.5
Health	<b>\$m</b>	81	163	52	69	59	12	5	441
	<b>%</b>	0.7	2.0	0.6	1.7	2.8	1.7	1.0	1.2
Housing and community amenities	<b>\$m</b>	3 107	1,646	2 460	681	588	156	82	8 722
	<b>%</b>	28.6	19.9	26.2	16.6	27.6	22.0	17.2	24.3
Mining, manufacturing and construction	<b>\$m</b>	191	–	102	41	37	–	–	372
	<b>%</b>	1.8	–	1.1	1.0	1.7	–	–	1.0
Other economic affairs	<b>\$m</b>	381	399	231	131	99	34	29	1 303
	<b>%</b>	3.5	4.8	2.5	3.2	4.6	4.8	6.1	3.6
Public debt transactions	<b>\$m</b>	224	65	305	33	26	4	–	660
	<b>%</b>	2.1	0.8	3.2	0.8	1.2	0.6	–	1.8
Public order and safety	<b>\$m</b>	346	194	153	142	44	7	22	907
	<b>%</b>	3.2	2.3	1.6	3.5	2.1	1.0	4.6	2.5
Recreation and culture	<b>\$m</b>	1 615	1 652	1 095	925	511	124	59	5 981
	<b>%</b>	14.9	20.0	11.7	22.6	23.9	17.5	12.3	16.6
Social security and welfare	<b>\$m</b>	416	911	44	191	130	21	31	1 743
	<b>%</b>	3.8	11.0	0.5	4.7	6.1	3.0	6.5	4.8
Transport and communications	<b>\$m</b>	1 935	1 509	2 462	1 062	497	196	64	7 726
	<b>%</b>	17.8	18.3	26.2	25.9	23.3	27.6	13.4	21.5
Other	<b>\$m</b>	989	129	85	259	1	23	8	1 494
	<b>%</b>	9.1	1.6	0.9	6.3	0.0	3.2	1.7	4.2
<b>Total</b>	<b>\$m</b>	<b>10 869</b>	<b>8 266</b>	<b>9 385</b>	<b>4 101</b>	<b>2 134</b>	<b>710</b>	<b>478</b>	<b>35 943</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.

– represents nil or figure rounded to zero.

Source: Australian Bureau of Statistics, *Taxation Revenue, Australia, 2016–17, Total Taxation Revenue*, ABS cat. Number 5506.0.

## Assets and liabilities

In 2016–17, local government in Australia had a net worth of \$446.6 billion, with assets worth \$466.6 billion and liabilities worth \$20 billion (Table 4 and Table 5).

On a state basis, only councils in South Australia had a net debt position as at 30 June 2017, while all the other states had a net surplus (Table 5).

Table 4 Local government assets in 2016–17

		NSW	Vic	Qld	WA	SA	Tas	NT	Total
<b>Assets</b>		<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	
Financial	Cash and deposits	1 925	1 445	4 680	3 221	52	394	213	11 931
	Advances paid	–	4	–	6	29	3	–	42
	Investments, loans and placements	9 415	3 007	2 264	279	126	29	91	15 212
	Other non-equity assets	1 489	1 072	1 146	365	171	43	26	4 313
	Equity	64	71	5 230	378	100	1 612	–	7 455
	<b>Total</b>	<b>12 894</b>	<b>5 598</b>	<b>13 320</b>	<b>4 250</b>	<b>478</b>	<b>2 081</b>	<b>331</b>	<b>38 953</b>
Non-financial	Land and fixed assets	155 500	91 348	100 702	43 791	23 618	8 825	2 200	425 984
	Other non-financial assets	783	499	296	22	–	12	78	1 689
	<b>Total</b>	<b>156 283</b>	<b>91 847</b>	<b>100 998</b>	<b>43 812</b>	<b>23 618</b>	<b>8 837</b>	<b>2 278</b>	<b>427 673</b>
<b>Total assets</b>	<b>169 177</b>	<b>97 445</b>	<b>114 318</b>	<b>48 062</b>	<b>24 097</b>	<b>10 918</b>	<b>2 609</b>	<b>466 626</b>	

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

– represents nil or figure rounded to zero.

Source: Australian Bureau of Statistics, Government Finance Statistics, Australia, 2016–17, ABS cat. Number 5512.0.

Table 5 Local government liabilities and net worth and debt in 2016–17

		NSW	Vic	Qld	WA	SA	Tas	NT	Total
<b>Liabilities</b>		<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
Deposits held	62	289	8	61	158	9	–	–	587
Advances received	11	4	–	1	–	–	–	–	15
Borrowing	3 355	1 139	5 604	673	363	103	7	–	11 244
Unfunded superannuation liability and other employee entitlements	1 413	786	655	300	191	66	26	–	3 437
Other provisions	26	24	–	6	6	26	4	–	90
Other non-equity liabilities	1 546	844	1 283	545	266	85	50	–	4 618
<b>Total liabilities</b>	<b>6 412</b>	<b>3 085</b>	<b>7 549</b>	<b>1 586</b>	<b>984</b>	<b>288</b>	<b>87</b>	<b>–</b>	<b>19 992</b>
<b>Net worth</b>	<b>162 764</b>	<b>94 360</b>	<b>106 769</b>	<b>46 476</b>	<b>23 112</b>	<b>10 630</b>	<b>2 522</b>	<b>–</b>	<b>446 634</b>
<b>Net debt*</b>	<b>–7 913</b>	<b>–3 024</b>	<b>–1 332</b>	<b>–2 772</b>	<b>314</b>	<b>–313</b>	<b>–298</b>	<b>–</b>	<b>–15 338</b>
<b>Net financial worth†</b>	<b>6 481</b>	<b>2 514</b>	<b>5 771</b>	<b>2 664</b>	<b>–506</b>	<b>1 793</b>	<b>244</b>	<b>–</b>	<b>18 961</b>

\* 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.

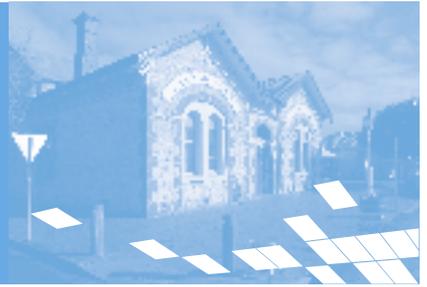
† Net financial worth is the difference between total financial assets and total liabilities.

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

– represents nil or figure rounded to zero.

Source: Australian Bureau of Statistics, Government Finance Statistics, Australia, 2016–17, ABS cat. Number 5512.0.





## History of the arrangements

Financial Assistance Grant program funding is provided under the *Local Government (Financial Assistance) Act 1995* (Cwth) (the Act), which replaced the *Local Government (Financial Assistance) Act 1986* (Cwth) 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* (Cwth) 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* (Cwth). 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 2016–17

<b>Year</b>	<b>General purpose (\$)</b>	<b>Local road (\$)</b>	<b>Total (\$)</b>
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
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	1 990 534 300
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

<b>Year</b>	<b>General purpose (\$)</b>	<b>Local road (\$)</b>	<b>Total (\$)</b>
2014–15	2 377 879 350	1 055 135 046	3 433 014 396
2015–16	792 547 188	351 676 511	1 144 223 699
2016–17	2 405 539 222	1 067 408 546	3 472 947 768
<b>Total</b>	<b>36 555 389 718</b>	<b>13 230 879 330</b>	<b>49 786 269 048</b>

- 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.

Notes: All funding represents actual entitlements.

n/a = not applicable.

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

## Overview of current arrangements

The following arrangements operated when the 2016–17 funding distribution was determined under the Financial Assistance Grant program to local government:

- Before the start of the financial year, the Australian Government estimated the quantum of general purpose and local road components that local government was entitled to nationally. This is equal to the national grant entitlement for the previous financial year multiplied by the estimated escalation factor of 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 distributions among local governing bodies in their jurisdiction. 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 all legislative requirements have been met, the Minister approved payment of the recommended allocations to local governing bodies in that jurisdiction.
- The Australian Government paid the grant in quarterly installments to the states and territories, which, without undue delay, passed them on to local government 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 was determined.
- Any difference between the estimated and actual entitlements is combined with the estimated entitlement in the next year to determine that year's cash payment. This is referred to as the adjustment.

## 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

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; and
- (b) the capacity of local governing bodies to provide their residents with an equitable level of services; and
- (c) the certainty of funding for local governing bodies; and
- (d) the efficiency and effectiveness of local governing bodies; and
- (e) the provision by local governing bodies of services to Aboriginal and Torres Strait Islander communities.

## Pause on indexation

In the 2014–15 Budget, the Australian Government announced that the indexation applied to the Financial Assistance Grant program would be paused for three years (2014–15 to 2016–17). Funding under the Financial Assistance Grant program will remain at \$2.3 billion each year from 2014–15 to 2016–17 as a result of this measure. State and territory allocations continue to fluctuate in line with changes in population estimates provided annually by the Australian Bureau of Statistics.

In line with the Act's objectives, funding continues to be provided to all councils including minimum grant councils. Local government grants commissions continue to apply the horizontal equalisation principle that supports needier councils, including rural and remote councils.

## Determining entitlements for 2016–17 and 2017–18

Calculation of the 2016–17 actual entitlement and the 2017–18 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 2016–17 was \$2.3 billion, consisting of \$1.6 billion under the general purpose component and \$703.4 million under the identified local road component (see Table 8).

In the 2017–18 Budget, the Australian Government announced their decision to bring forward \$1.2 billion of the 2017–18 estimate into 2016–17. This resulted in payments of \$1.2 billion to jurisdictions for immediate distribution to local government. This funding consisted of a general purpose component of \$819.7 million and a local road component of \$363.7 million. The brought forward payment was provided for under amendments made to the Act in 2009 (see Table 8).

The final entitlement for 2016–17 was \$3.5 billion. This consisted of a general purpose component of \$2.4 billion and an identified local road component of \$1.1 billion (see Table 7).

The adjustment of \$0.8 million relates to the indexation estimate included in the bring forward amount from 2017–18 which was paid in 2016–17. The indexation pause ended on 30 June 2017.

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 2016–17, the Northern Territory experienced a decreasing population share.

Table 7 Final entitlements and adjustments for 2016-17

	2015-16 final entitlement	2016-17 final factor	2016-17 final entitlement	2016-17 estimated entitlement	2016-17 adjustment#
	\$		\$	\$	\$
General purpose	792 547 187	x 3.0352 =	2 405 539 222	less 1 585 252 883	= 552 072
Local road	351 676 511	x 3.0352 =	1 067 408 546	less 703 423 357	= 244 972
<b>Total</b>	<b>1 144 223 698</b>		<b>3 472 947 768</b>	<b>less 2 288 676 240</b>	<b>= 797 044</b>
<b>General purpose</b>		<b>31 December 2015 population *</b>			
NSW	253 920 878	7 670 742	769 594 363	less 508 002 282	= - 1 042 021
Vic	197 593 273	5 996 385	610 913 677	less 397 116 376	= 8 140 578
Qld	159 411 017	4 808 771	482 240 463	less 318 465 494	= -712 965
WA	86 364 858	2 603 899	255 577 987	less 172 445 721	= -6 560 659
SA	56 781 899	1 702 785	170 987 328	less 112 768 578	= 212 158
Tas	17 296 811	517 404	51 705 451	less 34 265 579	= - 51 351
NT	8 163 163	244 031	24 486 546	less 16 161 188	= 9 378
ACT	13 015 288	393 013	40 033 407	less 26 027 665	= 556 954
<b>Total</b>	<b>792 547 187</b>	<b>23 937 030</b>	<b>2 405 539 222</b>	<b>less 1 585 252 883</b>	<b>= 552 072</b>
<b>Local road</b>		<b>2016-17 final factor</b>			
NSW	102 032 391	x 3.0352 =	309 688 713	less 204 085 189	= 71 073
Vic	72 502 977	x 3.0352 =	220 061 036	less 145 020 454	= 50 505
Qld	65 891 293	x 3.0352 =	199 993 253	less 131 795 765	= 45 898
WA	53 771 856	x 3.0352 =	163 208 337	less 107 554 465	= 37 458
SA	19 327 006	x 3.0352 =	58 661 329	less 38 657 876	= 13 465
Tas	18 636 369	x 3.0352 =	56 565 107	less 37 276 466	= 12 981
NT	8 237 960	x 3.0352 =	25 003 856	less 16 477 568	= 5 738
ACT	11 276 659	x 3.0352 =	34 226 915	less 22 555 574	= 7 854
<b>Total</b>	<b>351 676 511</b>		<b>1 067 408 546</b>	<b>less 703 423 357</b>	<b>= 244 972</b>

\* Based on statistics provided by the Australian Statistician on 23 June 2016.

# Adjustment due to indexation and rounding inherent in the bring forward from 2017-18 paid in June 2017.

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

Table 8 Estimated entitlements and cash paid in 2016–17

	2015–16 final entitlement	2016–17 estimated factor	2016–17 estimated entitlement	2016–17 adjustment and Bring forward	2016–17 cash payment
	\$		\$	\$	\$
General purpose	792 547 187	x 2.0002 =	1 585 252 883	Plus 820 286 339 =	2 405 539 222
Local road	351 676 511	x 2.0002 =	703 423 357	Plus 363 985 189 =	1 067 408 546
<b>Total</b>	<b>1 144 223 698</b>		<b>2 288 676 240</b>	<b>Plus 1 184 271 528 =</b>	<b>3 472 947 768</b>
<b>General purpose</b>			<b>31 December 2015 population*</b>		
NSW	253 920 878	7 670 742	508 002 282	Plus 261 592 081 =	769 594 363
Vic	197 593 273	5 996 385	397 116 376	Plus 213 797 301 =	610 913 677
Qld	159 411 017	4 808 771	318 465 494	Plus 163 774 969 =	482 240 463
WA	86 364 858	2 603 899	172 445 721	Plus 83 132 266 =	255 577 987
SA	56 781 899	1 702 785	112 768 578	Plus 58 218 750 =	170 987 328
Tas	17 296 811	517 404	34 265 579	Plus 17 439 872 =	51 705 451
NT	8 163 163	244 031	16 161 188	Plus 8 325 358 =	24 486 546
ACT	13 015 288	393 013	26 027 665	Plus 14 005 742 =	40 033 407
<b>Total</b>	<b>792 547 187</b>	<b>23 937 030</b>	<b>1 585 252 883</b>	<b>Plus 820 286 339 =</b>	<b>2 405 539 222</b>
<b>Local road</b>			<b>2016–17 estimated factor</b>		
NSW	102 032 391	x 2.0002 =	204 085 189	Plus 105 603 524 =	309 688 713
Vic	72 502 977	x 2.0002 =	145 020 454	Plus 75 040 582 =	220 061 036
Qld	65 891 293	x 2.0002 =	131 795 765	Plus 68 197 488 =	199 993 253
WA	53 771 856	x 2.0002 =	107 554 465	Plus 55 653 872 =	163 208 337
SA	19 327 006	x 2.0002 =	38 657 876	Plus 20 003 453 =	58 661 329
Tas	18 636 369	x 2.0002 =	37 276 466	Plus 19 288 641 =	56 565 107
NT	8 237 960	x 2.0002 =	16 477 568	Plus 8 526 288 =	25 003 856
ACT	11 276 659	x 2.0002 =	22 555 574	Plus 11 671 341 =	34 226 915
<b>Total</b>	<b>351 676 511</b>		<b>703 423 357</b>	<b>Plus 363 985 189 =</b>	<b>1 067 408 546</b>

\* Based on statistics provided by the Australian Statistician on 25 June 2015.

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

**Figure 1** Determining the final factor for 2016-17

Under section 8 of the *Local Government (Financial Assistance) Act 1995* (Cwth) (the Act), the unadjusted factor for 2016-17 was calculated as follows:

$$\text{Unadjusted factor} = \frac{\text{Population of Australia at 31 Dec 2015}}{\text{Population of Australia at 31 Dec 2014}} \times \frac{\text{Consumer Price Index at March 2017}}{\text{Consumer Price Index at March 2016}}$$

That is:

$$\text{Unadjusted factor} = \frac{24\,009\,961}{23\,669\,720} \times \frac{110.5}{108.2} = 1.0359$$

However, to account for the Australian Government's 2014-15 Budget decision to pause indexation for three years from 1 July 2014 and the government's decision to bring forward the first two quarter payments in 2017-18 to the 2016-17 financial year, the unadjusted factor was adjusted in accordance with section 8(1)(c) of the Act as follows:

$$\text{Adjustment factor} = \frac{\text{2016-17 adjustment amount} + \text{2017-18 adjustment amount}}{\text{2015-16 final entitlement}} \times \frac{1}{\text{Unadjusted factor}}$$

This equates to an adjustment factor of:

$$\text{Adjustment factor} = \frac{2\,288\,700\,054 + 1\,184\,287\,843}{1\,144\,223\,698} \times \frac{1}{1.0359} = 2.9300$$

Therefore, the final factor for 2016-17 was determined through the multiplication of the unadjusted factor and the adjustment factor as follows:

$$\text{Final factor} = \text{unadjusted factor (1.0359)} \times \text{adjustment factor (2.9300)} = 3.0352$$

**Figure 2** Determining the estimated factor for 2017–18

Under section 8 of the *Local Government (Financial Assistance) Act 1995* (Cth) (the Act), the unadjusted factor for 2017–18 was calculated as follows:

$$\text{Unadjusted factor} = \frac{\text{Population of Australia at 31 Dec 2016}}{\text{Population of Australia at 31 Dec 2015}} \times \frac{\text{Consumer Price Index at March 2018}}{\text{Consumer Price Index at March 2017}}$$

That is:

$$\text{Unadjusted factor} = \frac{24\,381\,012}{24\,009\,961} \times \frac{112.6}{110.5} = 1.0348$$

In order to account for the Government's 2014–15 Budget decision to pause indexation for three years from 1 July 2014, the Government's decision to bring forward 1.2 billion from the 2017-18 estimate to the 2016-17 financial year, the unadjusted factor will be adjusted, in accordance with paragraph 8(1)(c) of the Act, as follows:

$$\begin{aligned} \text{Adjustment factor} &= \frac{\text{2017-18 unadjusted amount} - \text{2017-18 adjustment amount}}{\text{2016-17 final entitlement}} \\ &\quad \times \frac{1}{\text{Unadjusted factor}} \\ \text{Adjustment factor} &= \frac{2\,368\,575\,686 - 1\,184\,287\,843}{3\,472\,947\,768} \times \frac{1}{1.0348} = 0.3295 \end{aligned}$$

The estimated factor for 2017–18 is determined through the multiplication of the unadjusted factor and the adjustment factor as follows:

$$1.0348 \times 0.3295 = 0.3410$$

## 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.

Consequently, there are three ways in which funding provided under the Financial Assistance Grant program can be reported: an estimated entitlement, a final entitlement and cash paid.

## 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 2016-17 allocations of general purpose and local road grants among jurisdictions is provided in Table 9, while Table 10 provides a comparison to 2015-16 allocations.

Table 9 2016–17 final entitlement allocations of general purpose and local road grants among jurisdictions

State	General purpose (GP)					Local road (LR)					Total grant		
	GP final entitlement in June 2017	GP bring forward paid in June 2017	Total GP final and bring forward	% of total GP pool	31 Dec 2015 population*	per capita	LR final entitlement in June 2017	LR bring forward paid in June 2017	Total LR final and bring forward	% of LR pool	% of LR length	Total final entitlement	% of total grant
	\$	\$	\$				\$	\$	\$	km	\$	\$	
NSW	506 960 261	262 634 102	769 594 363	32.0	7 681 409	66.00	204 156 262	105 532 451	309 688 713	29.0	142 844	1 079 283 076	31.1
Vic	405 256 954	205 656 723	610 913 677	25.4	6 097 599	66.46	145 070 959	74 990 077	220 061 036	20.6	130 502	830 974 713	23.9
Qld	317 752 529	164 487 934	482 240 463	20.0	4 813 297	66.02	131 841 663	68 151 590	199 993 253	18.7	148 843	682 233 716	19.6
WA	165 885 062	89 692 925	255 577 987	10.6	2 550 953	65.03	107 591 923	55 616 414	163 208 337	15.3	127 435	418 786 324	12.1
SA	112 980 736	58 006 592	170 987 328	7.1	1 706 644	66.20	38 671 341	19 989 988	58 661 329	5.5	78 147	229 648 657	6.6
Tas.	34 214 228	17 491 223	51 705 451	2.1	516 078	66.30	37 289 447	19 275 660	56 565 107	5.3	14 266	108 270 558	3.1
NT	16 170 566	8 315 980	24 486 546	1.0	244 031	66.26	16 483 306	8 520 550	25 003 856	2.3	13 310	49 490 402	1.4
ACT	26 584 619	13 448 788	40 033 407	1.7	399 578	66.53	22 563 428	11 663 487	34 226 915	3.2	-	74 260 322	2.1
<b>Total</b>	<b>1 585 804 955</b>	<b>819 734 267</b>	<b>2 405 539 222</b>	<b>100</b>	<b>24 009 589</b>	<b>66.05</b>	<b>703 668 329</b>	<b>363 740 217</b>	<b>1 067 408 546</b>	<b>100</b>	<b>655 347</b>	<b>3 472 947 768</b>	<b>100</b>

\* 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 2016-17 final entitlement and percentage change from 2015-16

State	General purpose (GP)				Local road (LR)				Total entitlement	
	2016-17 final entitlement \$	2015-16 final entitlement \$	% change from 2015-16 final entitlement*	2016-17 LR final entitlement \$	2015-16 LR final entitlement \$	% change from 2015-16 final entitlement*	Total 2016-17 final entitlement \$	Total 2015-16 final entitlement \$	% change from 2015-16 final entitlement	
NSW	769 594 363	253 920 878	203	309 688 713	102 032 391	204	1 079 283 076	355 953 269	203	
Vic	610 913 677	197 593 273	209	220 061 036	72 502 977	204	830 974 713	270 096 250	208	
Qld	482 240 463	159 411 017	203	199 993 253	65 891 293	204	682 233 716	225 302 310	203	
WA	255 577 987	86 364 858	196	163 208 337	53 771 856	204	418 786 324	140 136 714	199	
SA	170 987 328	56 781 899	201	58 661 329	19 327 006	204	229 648 657	76 108 905	202	
Tas	51 705 451	17 296 811	199	56 565 107	18 636 369	204	108 270 558	35 933 180	201	
NT	24 486 546	8 163 163	200	25 003 856	8 237 960	204	49 490 402	16 401 123	202	
ACT	40 033 407	13 015 288	208	34 226 915	11 276 659	204	74 260 322	24 291 947	206	
<b>Total</b>	<b>2 405 539 222</b>	<b>792 547 187</b>	<b>204</b>	<b>1 067 408 546</b>	<b>351 676 511</b>	<b>204</b>	<b>3 472 947 768</b>	<b>1 144 223 698</b>	<b>204</b>	

\* The large percentage change from 2015-16 final entitlement to 2016-17 is due to the bring forward from 2017-18 paid in 2016-17. There was no bring forward paid in 2015-16. Source: Department of Infrastructure, Transport, Regional Development and Communications.

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

The Act requires the Australian Government Minister (the Minister) 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 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 determined 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 is 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 installments. 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* (Cwth) (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 2016-17 (Table 11) at 1 July 2016.

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>

- a. These are local governing bodies eligible under section 4(2)(a) of the *Local Government (Financial Assistance) Act 1995* (Cwth).
- b. These are declared local governing bodies under section 4(2)(b) of the *Local Government (Financial Assistance) Act 1995* (Cwth).
- c. Includes Lord Howe Island, Silvertown 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 Figure 4 and Appendices B and C.

*Figure 4 Internet addresses for local government grants commissions*

<b>Jurisdiction</b>	<b>Internet address</b>
New South Wales	<a href="https://www.olg.nsw.gov.au/commissions-and-tribunals/local-government-grants-commission-information-and-key-resources/">https://www.olg.nsw.gov.au/commissions-and-tribunals/local-government-grants-commission-information-and-key-resources/</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.dlgrma.qld.gov.au/local-government/governance/queensland-local-government-grants-commission">https://www.dlgrma.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/boards-and-commissions#grants">https://www.dlgsc.wa.gov.au/local-government/local-governments/boards-and-commissions#grants</a>
South Australia	<a href="https://www.dpti.sa.gov.au/local_govt/LGGC">https://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 2016–17

The Australian Government Minister (the Minister) agreed to the allocations of funding under the Financial Assistance Grant program to local governing bodies for 2016–17, as recommended by local government grants commissions through state and Northern Territory ministers. Appendix D contains the final entitlements for 2016–17.

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 2016–17

Classification	Jurisdiction (\$)										Average
	NSW	Vic	Qld	WA	SA	Tas	NT				
Urban Capital City (UCC)	19.97	20.48	19.96	21.79	20.38	19.87	20.45				20.41
Urban Developed Small (UDS)	19.97	n/a	n/a	19.21	20.53	n/a	n/a				19.90
Urban Developed Medium (UDM)	19.97	n/a	n/a	19.29	20.38	n/a	n/a				19.88
Urban Developed Large (UDL)	19.97	23.90	n/a	19.21	20.38	n/a	n/a				20.86
Urban Developed Very Large (UDV)	26.10	32.58	n/a	19.21	32.95	n/a	n/a				27.81
Urban Regional Small (URS)	147.23	n/a	155.99	55.76	143.54	60.11	37.53				100.03
Urban Regional Medium (URM)	87.61	162.34	123.68	41.23	20.92	19.87	n/a				75.94
Urban Regional Large (URL)	78.88	113.28	46.28	n/a	n/a	n/a	n/a				79.48
Urban Regional Very Large (URV)	85.72	72.04	23.45	n/a	n/a	n/a	n/a				60.40
Urban Fringe Small (UFS)	n/a	65.35	85.85	63.47	34.30	80.67	20.45				58.35
Urban Fringe Medium (UFM)	42.95	83.11	52.96	22.48	20.38	19.87	n/a				40.29
Urban Fringe Large (UFL)	59.76	86.97	n/a	19.21	98.32	n/a	n/a				52.85
Urban Fringe Very Large (UFV)	54.75	60.93	n/a	19.21	31.57	n/a	n/a				33.29
Rural Significant Growth (RSG)	n/a	n/a	n/a	19.21	n/a	n/a	n/a				19.21
Rural Agricultural Small (RAS)	680.43	n/a	n/a	1 070.69	776.00	466.10	n/a				748.30
Rural Agricultural Medium (RAM)	683.77	716.99	722.69	248.00	415.55	233.41	n/a				503.40
Rural Agricultural Large (RAL)	380.64	454.41	n/a	222.69	218.13	202.94	n/a				246.47
Rural Agricultural Very Large (RAV)	232.21	231.42	405.22	116.04	169.31	98.60	20.45				181.89
Rural Remote Extra Small (RTX)	533.90	n/a	6 651.95	10 43.86	583.67	n/a	71.56				3 114.16
Rural Remote Small (RTS)	n/a	n/a	2 692.86	2 035.54	n/a	774.85	249.11				1 438.09
Rural Remote Medium (RTM)	1 658.65	n/a	1 347.44	1 178.18	394.80	n/a	79.73				931.76
Rural Remote Large (RTL)	732.63	n/a	1 238.36	303.58	n/a	n/a	201.76				619.08
<b>Total per capita</b>	<b>66.13</b>	<b>65.13</b>	<b>66.16</b>	<b>67.60</b>	<b>66.08</b>	<b>66.40</b>	<b>66.23</b>				<b>66.25</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 2016-17

Classification	Jurisdiction (\$)										Average
	NSW	Vic	Qld	WA	SA	Tas	NT	NT	Tas	SA	
Urban Capital City (UCC)	4 021.01	3 148.06	2 655.90	4 967.33	250.60	5 012.73	3 403.65	3 403.65	5 012.73	250.60	3 351.33
Urban Developed Small (UDS)	2 305.74	n/a	n/a	2 104.04	171.96	n/a	n/a	n/a	n/a	171.96	1 527.25
Urban Developed Medium (UDM)	2 909.60	n/a	n/a	2 167.78	295.07	n/a	n/a	n/a	n/a	295.07	1 796.81
Urban Developed Large (UDL)	3 266.61	1 652.24	n/a	2 017.34	219.07	n/a	n/a	n/a	n/a	219.07	1 788.82
Urban Developed Very Large (UDV)	2 664.73	1 608.25	n/a	2 083.78	450.90	n/a	n/a	n/a	n/a	450.90	1 724.14
Urban Regional Small (URS)	1 574.52	1 186.30	681.59	1 266.28	488.25	3 256.69	3 491.11	3 491.11	3 256.69	488.25	1 706.39
Urban Regional Medium (URM)	1 786.15	1 295.31	788.64	1 494.83	307.46	3 938.33	n/a	n/a	3 938.33	307.46	1 601.79
Urban Regional Large (URL)	2 068.91	1 384.27	971.68	n/a	n/a	n/a	681.74	681.74	n/a	n/a	1 276.65
Urban Regional Very Large (URV)	2 245.02	1 468.22	1 740.77	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1 818.01
Urban Fringe Small (UFS)	n/a	1 261.12	687.56	2 592.07	331.41	2 569.64	3 281.86	3 281.86	2 569.64	331.41	1 787.28
Urban Fringe Medium (UFM)	1 782.03	1 383.87	805.31	1 735.19	437.51	2 824.18	n/a	n/a	2 824.18	437.51	1 494.68
Urban Fringe Large (UFL)	1 970.82	1 607.53	n/a	1 786.18	252.97	n/a	n/a	n/a	n/a	252.97	1 404.38
Urban Fringe Very Large (UFV)	2 252.21	1 626.46	n/a	1 822.78	n/a	n/a	n/a	n/a	n/a	n/a	1 900.48
Rural Significant Growth (RSG)	n/a	n/a	n/a	1 525.50	n/a	n/a	n/a	n/a	n/a	n/a	1 525.50
Rural Agricultural Small (RAS)	1 061.75	n/a	n/a	633.19	1 052.81	2 157.10	n/a	n/a	2 157.10	1 052.81	1 226.21
Rural Agricultural Medium (RAM)	980.10	773.54	575.71	880.31	1 322.98	2 499.83	n/a	n/a	2 499.83	1 322.98	1 172.08
Rural Agricultural Large (RAL)	1 064.38	757.76	n/a	983.98	1 168.75	2 430.65	n/a	n/a	2 430.65	1 168.75	1 281.10
Rural Agricultural Very Large (RAV)	1 184.26	1 071.89	659.52	989.89	773.18	2 367.49	3 397.01	3 397.01	2 367.49	773.18	1 491.89
Rural Remote Extra Small (RTX)	n/a	n/a	592.98	494.51	2 616.89	n/a	1 751.74	1 751.74	n/a	2 616.89	1 364.03
Rural Remote Small (RTS)	n/a	n/a	594.90	533.06	n/a	1 977.07	616.82	616.82	1 977.07	n/a	930.46
Rural Remote Medium (RTM)	925.88	n/a	697.77	688.48	2 018.59	n/a	1 706.90	1 706.90	n/a	2 018.59	1 207.52
Rural Remote Large (RTL)	949.14	n/a	620.95	951.42	n/a	n/a	1 085.20	1 085.20	n/a	n/a	901.68
<b>Total per kilometre</b>	<b>1 391.49</b>	<b>1 111.25</b>	<b>885.47</b>	<b>843.99</b>	<b>494.68</b>	<b>2 612.96</b>	<b>1 237.98</b>	<b>1 237.98</b>	<b>2 612.96</b>	<b>494.68</b>	<b>1 225.40</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 2006–07 to 2016–17. The per capita grant to minimum grant councils in 2016–17 was between 19.21 and 20.48.

The proportion of the population covered by local governing bodies on the minimum grant varies between jurisdictions. In 2016–17, the proportion ranged from 25 per cent in New South Wales to 73.1 per cent in Queensland. 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 2016–17, the proportion of the general purpose grant that went to local governing bodies on the minimum grant was 13.2 per cent nationally. It varied from 7.3 per cent in New South Wales to 21 per cent in Queensland.

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 86 in 2006–07 to 97 in 2016–17; from 12.3 per cent to 18.1 per cent. The percentage of the population in minimum grant councils increased from 32.6 per cent in 2006–07 to 43.8 per cent in 2016–17. 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, 2006-07 to 2016-17

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
<b>NSW</b>											
\$ general purpose	385 938 812	406 050 359	422 066 453	442 758 903	463 479 161	471 413 267	489 045 833	508 608 083	508 237 232	506 290 484	506,960,261
\$ to minimum grant councils	29 279 694	30 793 666	32 070 254	33 460 548	36 160 752	37 593 617	38 999 527	41 044 913	42 527 921	47 455 907	36,789,623
% to minimum grant councils	7.6	7.6	7.6	7.6	7.8	8.0	8.0	8.1	8.4	9.4	7.3
Population per jurisdiction	6 790 811	6 854 067	6 943 884	6 983 605	7 133 854	7 232 022	7 301 607	7 289 779	7 409 856	7 508 849	7,617,181
Population for minimum grant councils	1 712 959	1 725 814	1 744 716	1 759 235	1 855 282	1 922 430	1 940 916	1 960 961	2 066 788	2 343 212	1,842,571
% of population in minimum grant councils	25.2	25.2	25.1	25.2	26.0	26.6	26.6	26.9	27.9	31.2	24.0
Minimum grant councils /No. LGBs	21/155	21/155	21/155	21/155	22/155	23/155	23/155	23/155	24/155	26/155	17/131
<b>Vic</b>											
\$ general purpose	289 188 062	305 906 191	319 394 720	336 060 498	354 852 579	360 195 861	375 393 290	393 135 181	393 289 960	394 880 592	405 256 954
\$ to minimum grant councils	16 041 360	13 310 089	23 450 803	27 458 066	30 577 564	30 820 330	28 328 702	33 555 381	33 587 740	33 799 568	34 701 187
% to minimum grant councils	5.6	4.4	7.3	8.2	8.6	8.6	7.6	8.5	8.5	8.6	8.6
Population per jurisdiction	5 088 427	5 163 649	5 262 390	5 313 734	5 443 134	5 545 838	5 621 116	5 632 519	5 739 228	5 841 632	5 937 462
Population for minimum grant councils	928 552	738 401	1 273 912	1 447 208	1 563 445	1 581 774	1 413 974	1 600 743	1 633 808	1 664 977	1 694 716
% of population in minimum grant councils	18.2	14.3	24.2	27.2	28.7	28.5	25.2	28.4	28.5	28.5	28.5
Minimum grant councils /No. LGBs	10/80	7/79	11/79	12/79	12/79	13/79	12/79	13/79	13/79	13/79	13/79

Table 14 continued

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Qld</b>											
\$ general purpose	230 151 592	244 752 786	257 092 111	272 006 416	288 922 754	290 459 015	304 750 796	319 028 016	319 083 531	318 749 890	317 752 529
\$ to minimum grant councils	25 346 303	26 876 194	27 468 884	29 098 788	30 728 757	50 601 267	62 254 683	65 533 567	65 766 311	65 795 193	69 679 193
% to minimum grant councils	11.0	11.0	10.7	10.7	10.6	17.4	20.4	20.5	20.6	20.6	21.9
Population per jurisdiction	4 049 647	4 131 389	4 242 789	4 178 232	4 421 783	4 510 510	4 576 882	4 556 416	4 653 008	4 718 591	4 774 888
Population for minimum grant councils	1 454 323	1 486 720	1 458 827	1 489 934	1 567 615	2 619 274	3 116 561	3 138 148	3 196 772	3 246 648	3 490 246
% of population in minimum grant councils	35.9	36.0	34.4	35.7	35.5	58.1	68.1	68.9	68.7	68.8	73.1
Minimum grant councils/No. LGBs	2/157	2/157	2/73	2/73	2/73	6/73	8/73	8/77	9/77	9/77	10/77
<b>WA</b>											
\$ general purpose	115 836 527	123 301 075	129 395 614	137 579 902	146 620 875	151 667 051	157 781 551	171 319 297	172 194 345	173 592 719	165 885 062
\$ to minimum grant councils	25 901 130	27 858 876	29 147 411	31 045 359	33 132 023	34 286 560	35 432 688	38 760 735	39 026 105	38 981 399	35 870 819
% to minimum grant councils	22.4	22.6	22.5	22.6	22.6	22.6	22.5	22.6	22.7	22.5	21.6
Population per jurisdiction	2 038 209	2 081 303	2 138 062	2 171 197	2 245 057	2 293 510	2 349 325	2 430 252	2 519 321	2 577 840	2 590 259
Population for minimum grant councils	1 498 209	1 544 602	1 581 149	1 633 126	1 691 057	1 728 272	1 758 611	1 832 803	1 903 262	1 920 784	1 871 379
% of population in minimum grant councils	73.5	74.2	74.0	75.2	75.3	75.4	74.9	75.4	75.5	74.5	72.2
Minimum grant councils/No. LGBs	30/140	31/140	31/139	31/139	31/139	31/138	30/138	31/138	31/138	31/138	29/137

Table 14 continued

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
<b>SA</b>											
\$ general purpose	88 633 994	93 329 590	96 948 206	101 127 276	105 434 395	107 468 610	110 938 451	115 072 530	114 528 245	113 431 086	112 980 736
\$ to minimum grant councils	14 706 754	15 018 873	16 084 800	16 309 932	17 542 801	14 330 230	17 938 909	18 042 090	17 154 972	16 990 531	17 610 038
% to minimum grant councils	16.6	16.1	16.6	16.1	16.6	13.3	16.2	15.7	15.0	15.0	15.6
Population per jurisdiction	1 559 565	1 575 389	1 593 494	1 603 361	1 623 590	1 644 582	1 656 299	1 654 778	1 670 827	1 685 714	1 685 714
Population for minimum grant councils	852 943	834 072	876 276	861 778	900 691	810 045	892 807	864 995	834 042	841 721	874 193
% of population in minimum grant councils	54.7	52.9	55.0	53.8	55.5	49.3	53.9	52.3	49.9	49.9	51.9
Minimum grant councils/No. LGBs	22/74	20/74	21/74	20/74	21/74	20/74	20/74	18/74	17/74	17/74	17/74
<b>Tas</b>											
\$ general purpose	27 766 033	29 129 652	30 163 788	31 433 715	32 611 864	33 677 077	34 471 522	35 487 132	35 201 332	34 554 111	34 214 228
\$ to minimum grant councils	837 576	1 676 505	2 914 651	3 984 953	4 775 551	3 620 178	3 714 379	5 219 534	5 182 417	5 091 852	5 049 338
% to minimum grant councils	3.0	5.8	9.7	12.7	14.6	10.8	10.8	14.7	14.7	14.7	14.8
Population per jurisdiction	488 559	491 704	495 377	497 529	503 292	507 643	510 519	512 019	513 159	514 762	516 586
Population for minimum grant councils	48 794	93 708	158 901	210 772	245 667	181 900	183 365	251 030	251 828	252 849	254 126
% of population in minimum grant councils	10.0	19.1	32.1	42.4	48.8	35.8	35.9	49.0	49.1	49.1	49.2
Minimum grant councils/No. LGBs	1/29	2/29	3/29	4/29	5/29	4/29	4/29	5/29	5/29	5/29	5/29

Table 14 continued

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
<b>NT</b>											
\$ general purpose	11 865 377	12 590 104	13 203 569	13 880 149	14 733 572	15 224 579	15 518 239	16 449 092	16 573 314	15 930 250	16 170 566
\$ to minimum grant councils	-	1 350 251	1 772 176	2 424 889	2 555 872	3 239 988	2 714 718	2 889 253	2 938 751	2 939 595	2 918 549
% to minimum grant councils	-	10.72	13.42	17.47	17.35	21.28	17.49	17.56	17.7	18.5	18.0
Population per jurisdiction	208 778	212 519	217 435	212 983	218 635	220 753	223 443	227 963	233 399	231 833	237 252
Population for minimum grant councils	-	70 245	17 856	124 029	126 424	156 597	130 295	133 471	137 953	140 441	142 735
% of population in minimum grant councils	-	33.05	8.21	58.23	57.82	70.94	58.31	58.55	59.1	60.6	60.2
Minimum grant councils/No. LGBs	0/62	1/61	2/16	4/16	4/16	6/16	5/16	5/16	5/18	5/18	5/18
<b>Australia</b>											
\$ general purpose	1 149 380 397	1 215 059 757	1 268 264 461	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
\$ to minimum grant councils	112 112 817	116 884 454	132 908 979	143 792 535	155 473 320	174 492 170	189 383 606	205 045 473	206 184 217	211 054 045	204 070 289
% to minimum grant councils	9.8	9.6	10.5	10.8	11.1	12.2	12.7	12.7	13.2	13.6	13.2
Population per jurisdiction	20 223 996	20 510 020	20 893 431	20 960 641	21 589 345	21 954 858	22 239 191	22 303 726	22 738 798	23 079 221	23 406 736
Population for minimum grant councils	6 495 780	6 493 562	7 111 637	7 526 082	7 950 181	9 000 292	9 436 529	9 782 151	10 024 453	10 410 632	10 242 665
% of population in minimum grant councils	32.1	31.7	34.4	35.9	34.3	41.0	42.4	43.1	44.1	45.1	43.8
Minimum grant councils/No. LGBs	86/697	84/695	91/565	94/565	97/565	103/564	102/564	97/568	104/570	106/570	96/545

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.

## Council changes

On 9 September 2016, the New South Wales Government announced an amalgamation between the City of Rockdale and the City of Botany Bay to form the new Bayside Council. This reduced the number of New South Wales councils to 131 for 2016-17.

## 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 within 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 (Table 15).

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 2017

State	General purpose grants	Local road grants
NSW	During 2016–17, the New South Wales Government commissioned KPMG to carry out a review. The report from this review was provided to the New South Wales Local Government Grants Commission for consideration. No changes to the methodology were implemented.	No changes to the methodology were implemented.
Vic	Updates to the methodology have included population estimates, valuations data, and council expenditure and revenue information.	No changes to the methodology were implemented.
Qld	No changes to the methodology were implemented.	No changes to the methodology were implemented.
WA	No significant changes were made to the methodology since the last major review, which was implemented for the 2012–13 grant determinations. Expenditure and revenue standard equations were updated for new data inputs. The medical cost adjustor changed from a band system to a percentage allocation of actual expenditure, capped at 75,000.	No changes to the methodology were implemented.
SA	No changes to the methodology were implemented.	No changes to the methodology were implemented.
Tas	The Tasmanian State Grants Commission implemented a change in methodology and recognised returns to councils received from waste management authorities. Previously, these returns were treated as an offset against expenditure. This change means that these returns are now recognised as a component of the total assessed revenue of all councils.  The Tasmanian State Grants Commission implemented its exclusion of car parking expenditure from the assessment of council expenditure, to align with the exclusion of car parking revenue.  The population decline cost adjustor was altered and is now based on three years of population data rather than five.	No changes to the methodology were implemented.
NT	No changes to the methodology were implemented.	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, 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 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.



# 03

## Local government efficiency and performance



Under section 16 of the *Local Government (Financial Assistance) Act 1995* (Cwth) (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 2016–17. A summary of the progress for each jurisdiction follows.

Local government 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+).

For the 2016–17 year 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 2016–17 the **Victorian** State Government introduced the Finance and Accounting Support Team (FAST) program. This program is designed to improve the financial sustainability of local government, particularly those in regional and rural areas. Active projects in the first year of the program include assistance in developing long-term financial and asset management plans.

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 in complying with this requirement, Queensland Treasury Corporation (QTC) 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 are implementing those recommendations where appropriate.

**Western Australian** regulations which established new requirements for the Plan for the Future under the Local Government Act 1995 meant 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, 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.

**South Australia** continued to provide advice and assistance to the sector in 2016-17 through the Local Government Association of South Australia's Financial Sustainability Program. During the year, resources made available to councils by the Financial Sustainability Program included: subsidies for 18 Councils for up to 4000 and a report by an asset management advisory committee. As at 30 June 2017, 16 of 18 councils had accepted this support.

In **Tasmania** the *Local Government (Content of Plans and Strategies) Order 2014* outlines the minimum requirements of a council's financial and asset management plans, strategies and policies, including the classes of assets for which a council asset management plans and strategies must apply.

The Tasmanian Department of Premier and Cabinet's Local Government Division provides oversight to ensure that councils have in place a set of robust financial and asset management plans, strategies and policies which are cohesive and useful for supporting council decision-making. Ongoing work continues to monitor compliance and track alignment between the long-term plans and actual outcomes.

The **Northern Territory** Government, in 2016-17 continued to work with the Local Government Association of the Northern Territory (LGANT), to provide a range of support services to the Territory's local government sector. Funding was provided by the Department of Housing and Community Development for LGANT to deliver the support activities under this agreement during 2016-17 including, two tailored training sessions conducted by the Australian Institute of Company Directors for elected members and a presentation to staff from councils across the Territory from APV Valuers and Asset Management.

The **Australian Capital Territory** Government 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.

## 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 either 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 2016–17 to develop and implement comparative local government performance indicators. A summary of these reports for each jurisdiction follows.

**New South Wales** released *Your council 2015–16* time series data which marks the 26th year of local government councils data publication. This data enables a range of performance indicators to be compared between councils and over time. Data sources include council financial reports, rating records and Australian Bureau of Statistics' population data.

In November 2015, **Victoria** launched the *Know Your Council* ([www.knowyourcouncil.vic.gov.au](http://www.knowyourcouncil.vic.gov.au)) website, designed to improve council transparency and accountability and to make it easy for the community to access and compare council performance. The website, based on Victoria's Local Government Performance Reporting Framework, requires all Victorian councils to collect performance data and report against 59 performance indicators' each year, across 112 different service areas, including finance, roads, waste and libraries. The framework also includes a checklist of 24 items considered essential for supporting good governance and management in local government.

The 2016–17 data was launched online in December 2017, which is the third year of data on the website and allows users to begin to see trends in council performance, as well as compare councils and how they perform year on year. The data is often accompanied by a narrative provided by councils, which gives context to readers.

The provision of information by the **Queensland** Government to the community through the Queensland Local Government Comparative Information Report continued in 2016–17. 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.

In April 2016, the MyCouncil comparative website was launched by the **Western Australian** Government. 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 in April 2017 for the 2015–16 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 the Department of Local Government, Sport and Cultural Industries (DLGSC) and the Commission. Demographic data are sourced from the ABS and local governments. MyCouncil data are updated annually in the first quarter of the calendar year.

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 trend, and continues to provide valuable feedback to local governments which allows them to reassess and adjust their actions.

For **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.

Each year, the South Australia Local Government Association (SALGA) assembles an update report providing the latest values, history and comparisons of key financial indicators for the local government sector as a whole. The 2017 update report (covering the sixteen-year period from 1 July 2000 until 30 June 2016) included data on the operating surplus (deficit), net financial liabilities ratio and operating surplus ratio. In addition, the report provided a comparison between categories of councils in respect of 2015-16 actual results for their operating surplus ratio and net financial liabilities ratio.

Each year, the **Tasmanian** Auditor-General undertakes financial analysis of entities in the Tasmanian local government sector, comprising 29 councils, five subsidiaries and seven other local government entities. The format and scope of the 2016-17 Auditor-General’s report has departed from previous years’ reports in that the comprehensive comparative analysis for the 29 Tasmanian councils was replaced with aggregated financial results for the sector.

Sector analysis by the Auditor-General considered the aggregated financial results including underlying surplus or deficit; revenue; capital investment including funding source and allocation, management of working capital and management of cash for asset renewal. Five key financial sustainability ratios were also presented, namely: underlying surplus ratio; road asset sustainability ratio; road asset renewal funding ratio; road asset consumption ratio; and net financial liabilities ratio. Separate chapters provided individual analysis for each of the 10 urban councils, and the remaining 19 rural councils were analysed together in a summary chapter.

During 2014-15 in the **Northern Territory**, a Model Financial Statements Working Group was established comprising of members from LGANT, the then Department of Local Government and Community Services 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 councils to assist councils with preparing their annual financial statements. Most councils in the Northern Territory used this template as the basis for reporting their 2016-17 annual financial statements.

During 2016-17, the Department of Local Government in NT commenced drafting a set of sector-wide Key Performance Indicators in the areas of governance, financial reporting and service delivery for inclusion in council annual reports. Once the draft has been finalised feedback will be sought from the sector.

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 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.

## Efficiency and effectiveness reforms

As part of their reports, jurisdictions were asked to provide information on 2016–17 reforms to improve the efficiency and effectiveness of local government service delivery. A summary for each jurisdiction follows.

In 2016–17, the **New South Wales** Government worked to consolidate a number of key reform priorities to strengthen the system of local government in NSW.

The NSW Government continued to support the 20 new councils established the previous year, including through allocating \$375 million from the Stronger Communities Fund and the New Council Implementation Fund to 251 major infrastructure and service projects and 688 community projects across NSW to support the councils and their communities.

The **Victorian** Government continued an extensive review of the *Local Government Act 1989* over the past year. Following the Victorian Government’s release of a policy Directions Paper in June 2016, it engaged in a detailed consultation on the 157 reform directions proposed to inform the drafting of a new Local Government Bill.

After the release of *Act for the future: Directions for a new Local Government Act*, there were about 7,000 downloads of the review documents from the dedicated Act Review website ([www.yourcouncilyourcommunity.vic.gov.au](http://www.yourcouncilyourcommunity.vic.gov.au)). There was extensive consultation with the local government sector and the community about the proposed reform directions. The Victorian Government received a total of 333 submissions. In all, the review received more than 2,500 individual comments across the 157 reform directions.

Seven technical working groups of senior sector experts were also formed to test potential reform directions and establish their practicality, identify implementation challenges and resolve timing and staging issues associated with proposed reforms.

The Victorian Local Government Digital Transformation Taskforce that was formed in March 2016 continued to improve community outcomes by establishing a strategic direction for the local government sector. The taskforce aims to enable simpler, faster, valued and engaging community interactions with local government through digital transformation.

In May 2017, amendments to the **Queensland** *Local Government Electoral Act 2011* were enacted to improve transparency and accountability in local government electoral disclosure requirements including the introduction of real-time online electoral donation disclosures for local government elections.

Queensland councils continued to participate in large scale shared service arrangements set up by the Local Government Association of Queensland. Independent analysis has shown these subsidiary businesses continue to save participating councils a combined \$100 million per annum.

In February 2017, the **Western Australian** Government partnered with the Western Australian Local Government Association (WALGA) to deliver a further program of training to country-based elected members across WA to build their skills and improve governance and decision-making. Training was delivered on site across the State to ensure that all country local government elected members had an opportunity to attend training in their own region.

In 2016–17, **South Australia** continued to deliver local government capacity building initiatives. The Royalties for Regions' Country Local Government Fund, totalling \$1.52 million over four financial years, has delivered training to elected members in non-metropolitan local governments.

Funding of \$1.27 million through Royalties for Regions has been allocated over the period 2014–2017 for the Better Practice Review (BPR) program. The BPR program involves a small team of officers from the Department of Local Government, Sport and Cultural Industries in South Australia assigned to work closely with a local government to review key areas of that local government's activities and operations, including governance, integrated planning and reporting, planning and regulatory functions, asset and fiscal management, community, consultation, and workforce planning.

The Local Government Association of South Australia continued to provide a range of material to help councils meet their governance obligations. These materials include model policies and procedures, guidelines, information papers and codes of practice.

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 SALGA 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 SALGA Chief Executive.

From its inception in 1997, until 30 June 2017, the Scheme had approved a total of 678 projects, with a total of \$29 million. This has attracted significant matching funds and in-kind support from other sources.

The **Tasmanian** Government continues to recognise the need for a careful and considered approach to developing options for local government reform, such as voluntary amalgamations and strategic shared service opportunities. The Government supported Tasmanian councils to participate in five separate feasibility studies to explore reform options.

During 2016–17, two of the five feasibility studies were completed. Both studies considered voluntary amalgamation and strategic shared services options for participating councils. Every option that was analysed indicated significant potential to deliver greater benefits to the respective communities, relative to the continuation of 'business as usual'.

These studies will provide participating councils with a sound evidence base from which they can make decisions in the best interest of their communities, in accordance with the reform principles.

The **Northern Territory**, local government is constituted through 63 remote communities within nine regional councils across the Northern Territory and comprise between six to 14 members including community nominated and regional council elected members. Local authority meetings are held at least four times per year and discuss a range of issues such as council planning, budgeting, employment and the monitoring of service delivery within their respective communities.

A review of local authorities for 2016–17 indicated that local authorities were delivering a stronger local voice, empowering local decision making and delivering greater accountability for service delivery. In 2016–17, local authorities held 363 meetings, of which 290 (80 per cent) had successfully reached a quorum.

The Northern Territory Government endorsed strengthening the activities of local authorities as a local decision making body for Government's engagement with remote communities across all portfolio areas.

The Northern Territory Government plays a coordination role in assisting requests from local authorities or regional councils for information or a presentation from Northern Territory Government agencies.

In the **Australian Capital Territory** Access Canberra shapes the delivery of services around businesses, community groups and individuals seeking to engage with the ACT Government, enabling a 'no wrong door' approach and ensuring the appropriate levels of community protection work to make Canberra an even better place to live.

Access Canberra has worked to continuously improve service delivery, engaging with and educating the community. Access Canberra is a single point of entry for people who need to access a government service. By providing a single website, phone number and a number of service centres, finding the government service has become easier. The introduction of online services enables the community to easily interact with government. Access Canberra has worked across the ACT government to provide joined up services. An example is the Fix My Street service which allows community members to lodge a complaint or request government services through an online portal with the responsible area of government being notified automatically for response and action.

Access Canberra has made doing business with the ACT Government easier by introducing online drivers licence renewals. This new service means that most drivers (who have had a photograph taken within the last five years) can simply go online, complete the transaction, and have their new licence posted to them. These drivers are automatically issued with a month-long temporary drivers licence to enable them to keep driving until their new licence is posted to them within three weeks. Other changes to driver licence renewals include an option for drivers to renew their licence for ten years. In most instances, drivers who choose to renew for ten years will need to attend a service centre to have their licence renewed. This is just another innovation from Access Canberra to cut red tape for the community. Since the introduction of these new licence options in September 2017, 14,379 driver licence renewals have been lodged online, and 10,500 ten year licences have been issued.

Joint inspections by Access Canberra regulators has reduced red tape, simplified seeking approvals from government, and reduced the time businesses need to spend interacting with government agencies.



# 04

## Aboriginal and Torres Strait Islander communities



### Reporting requirements

Section 16 of the *Local Government (Financial Assistance) Act 1995* (Cwth) (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 2016–17, 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 2008, the Council of Australian Governments (COAG) set targets aimed at eliminating the gap in outcomes between Indigenous and non-Indigenous Australians. Current Closing the Gap targets:

- Close the gap in life expectancy within a generation (by 2031).
- Halve the gap in mortality rates for Indigenous children under five within a decade (by 2018).
- 95 per cent of all Indigenous four-year-olds enrolled in early childhood education (by 2025) – renewed target.
- Close the gap between Indigenous and non-Indigenous school attendance within five years (by 2018).
- Halve the gap for Indigenous children in reading, writing and numeracy achievements within a decade (by 2018).
- Halve the gap for Indigenous Australians aged 20–24 in Year 12 attainment or equivalent attainment rates (by 2020).
- Halve the gap in employment outcomes between Indigenous and non-Indigenous Australians within a decade (by 2018).

### State, territory and local government initiatives

An outline of key activities undertaken by jurisdictions and local government associations to improve the provision of local government services to Indigenous peoples in 2016–17 is as follows.

The **New South Wales** Government implemented a ‘Candidate Diversity Strategy’ to encourage Aboriginal and Torres Strait Islanders and other diverse groups to stand for election at the local government elections held in over 80 local government areas in September 2017.

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.

A number of initiatives were undertaken in **Victoria** in 2016–17 which focused on improving partnership and service delivery arrangements with Aboriginal and Torres Strait Islander communities in Victoria.

The Victorian Aboriginal and Local Government Action Plan (Action Plan) was launched in December 2016. The Action Plan was a commitment made by the Victorian Government under its Ministerial Statement on Local Government (Action 16). Through the Action Plan councils are encouraged to advance reconciliation and improve service delivery to Aboriginal Victorians.

Building on the important work already underway a new Aboriginal and Councils Partnerships Program is being developed to provide seed funding to Aboriginal and local government partnerships to implement initiatives in any of the four areas outlined in the Action Plan. Funding is being sought to help councils develop meaningful proposals in partnership with Aboriginal Victorians to employ Aboriginal Victorians, protect heritage, procure services, demonstrate leadership or deliver services more effectively.

Local Government Victoria is facilitating the implementation of the Local Government Engagement Strategy of the Dja Dja Wurrung and the Gunai Kurnai Recognition and Settlement Agreement, under the Traditional Owner Settlement Act 2010. Local Government Victoria has facilitated workshops, meetings, council updates and training sessions with councils and Dja Dja Wurrung organisations to increase engagement in, and facilitate actions under, the Recognition and Settlement Agreement.

**Queensland** continued to provide funding to Indigenous local governments to help them provide local government services to their communities. In 2016–17, \$30.3 million was the funding pool for the Queensland State Government Financial Aid program for 16 Indigenous councils, with each council receiving 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 will be delivered over four years and will be managed by the Department of Local Government, Racing and Multicultural Affairs. The aim of the 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. It is available to all Indigenous local governments.

In 2016–17, the Queensland Government introduced the Works for Queensland (W4Q) Program supporting 65 regional councils to undertake job-creating maintenance and minor infrastructure projects. \$200 million was allocated to 65 Councils in 2016–17 with \$27.01 million of this allocated to Queensland's 16 Indigenous Councils.

Other funding provided by the Queensland Government to Indigenous councils in 2016–17 included \$3.53 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.

In 2016–17, the Queensland Government also commenced a \$15 million waste water infrastructure upgrade at Cherbourg, and a \$5.8 million upgrade to the wastewater infrastructure at Palm Island. In 2016-17, \$1.64 million was spent towards these projects.

There are 25 local governments in **Western Australia** that have remote Aboriginal communities within their boundaries. Most of these local governments share features that impact on service delivery to communities such as small populations, remote locations over large areas, harsh environments, low proportion of rates to total income, high needs and limited local economies. There is no one size fits all approach. This can also be understood in terms of the community/human services design and delivery. There are unique needs across different regions.

The State Government is continuing to deliver a major reform program. The Regional Services Reform Unit (RSRU) leads the regional integration and re-design of Commonwealth, State and local services, including the coordination the Essential and Municipal Services Upgrade Program (EMSUP).

The RSRU recently completed an extensive consultation of over 90 per cent of Western Australia's remote Aboriginal population. The consultation findings noted the need for better co-design and coordination of government services, improved access to key services and greater employment and economic opportunities.

In **South Australia**, the Local Government Association of South Australia has continued to work towards delivering actions identified within its Reconciliation Action Plan (RAP) which was formally endorsed at the end of 2014.

During 2016–17, these actions include the establishment of a RAP network and facilitation of a forum to provide support and learnings in progressing individual Reconciliation Action Plans.

The SALGA has also supported the work of the South Australian Government's Aboriginal Employment Industry Clusters Program which aims to increase the number of Aboriginal people employed and retained in the specified industries. The Local Government Cluster group is working to strengthen links and encourage partnerships between the state and local governments.

Over 2016–17, \$3 million 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 the:

- Berri Barmera Council which provides services to Gerard
- District Council of Yorke Peninsula which provides services to Point Pearce
- District Council of Coober Pedy which provides services to Umoona
- Outback Communities Authority which provides services to Dunjiba.

This funding will continue over 2017–18 to support these vital services.

Local authorities were established in 63 remote communities across the **Northern Territory**. In addition to delivering a stronger local voice and greater accountability for service delivery, one of the functions of local authorities is to determine local projects that reflect the needs and priorities of the local community.

To 30 June 2017, the 63 local authorities have approved 466 local projects for their communities with 383 of them (82 per cent) having either been completed or in progress. Examples to date, include community amenities, playgrounds, water parks, sporting facilities, community lighting, community festivals and public toilets. Regional councils receive funding of \$5.1 million per year for local authority projects, which is allocated through a methodology that is consistent with the methodology used for distributing Financial Assistance Grant program funding.

In 2016–17, the Northern Territory Department provided \$7.9 million in Indigenous Jobs Development Funding to nine regional councils and one shire council to assist with subsidising 50 per cent of the cost of employing Aboriginal staff within their councils. The grant provides regional 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.

The **Australian Capital Territory** Aboriginal and Torres Strait Islander Agreement 2015–2018 was signed on 23 April 2015 by the Chief Minister, the Chair of the Aboriginal and Torres Strait Islander Elected Body, the Minister for Aboriginal and Torres Strait Islander Affairs, and the Head of the ACT Public Service. The Aboriginal and Torres Strait Islander Elected Body has continued to play a key role in the oversight of the Agreement.

The ACT Agreement is a foundational document that affirms the ACT Government’s commitment to reconciliation between Aboriginal and Torres Strait Islander Australians and non-Indigenous Australians.

The Agreement is based on community and stakeholder feedback that “Strong Families” are the key to improving resilience and achieving equitable outcomes for members of the Aboriginal and Torres Strait Islander community in the ACT.

The Agreement focusses on seven key focus areas:

- cultural identity;
- healthy mind, healthy body;
- feeling safe;
- connecting the community;
- employment and economic independence;
- education; and
- leadership.

Reporting on measures to address and overcome disadvantage is provided in detail in the 2016–17 Annual Reports of all ACT Government Directorates. The Annual Reports contain a dedicated section to reporting on Aboriginal and Torres Strait Islander programs/policies and initiatives. This reporting includes: actions to support the community; services for children and families; supporting vulnerable children and young people; and actions taken to showcase government and community working together.

In 2016–17, the Aboriginal and Torres Strait Islander Agreement 2015–18 Outcomes Framework (the Outcomes Framework) was developed. The Outcomes Framework is designed to evidence the way programs and initiatives support specific population based outcomes. It provides a shared understanding of specific outcomes that the community expects and also unifies effort across government.

Further, the Outcomes Framework provides a mechanism for a gap analysis of community needs against government service provision and aids the understanding of the appropriateness of service delivery models between culturally specific programs, culturally differentiated mainstream services and culturally autonomous and delivered services. The Outcomes Framework will form part of the Annual Report of the Aboriginal and Torres Strait Islander Agreement 2015–18.

**Tasmania** did not provide input on this item.



# Appendix A

## National Principles



Under section 3 of the *Local Government (Financial Assistance) Act 1995* (Cwth) (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; and
- 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 Figure 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 (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 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* (Cwth) (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 *Local Government (Financial Assistance) Act 1995* (Cwth) (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

The New South Wales Local Government Grants Commission (the Commission) methodology has not changed significantly since 2015–16. The two grant components are distributed on the basis of principles developed in consultation with local government and consistent with the National Principles of the *Local Government (Financial Assistance) Act 1995* (Cwth).

#### 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. The approach taken considers cost disabilities in the provision of services on the one hand (expenditure allowances) and an assessment of councils' relative capacity to raise revenue on the other (revenue 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.

Expenditure allowances are calculated for 21 council services. These services are: general administration and governance, aerodromes, services for aged and disabled, building control, public cemeteries, services for children, general community services, cultural amenities, control of dogs and other animals, fire control and emergency services, general health services, library services, noxious plants and pest control, town planning control, recreational services, stormwater drainage and flood mitigation, street and gutter cleaning, street lighting, maintenance of urban local roads, sealed rural local roads, and unsealed rural local roads.

An additional allowance is calculated for councils outside the Sydney statistical division that recognises their isolation.

The general formula for calculating expenditure allowances is:

**No. of units x standard cost x disability factor**

where:

- the number of units is the measure of use for the service for the council; for most services the number of units is the population; for others it may be the number of properties or the length of roads;
- the standard cost represents the state average cost per unit for each of the 21 selected services. The calculation is based on a state-wide average of councils' net costs, excluding extreme values, using selected items from Special Schedule 1 of councils' financial reports, averaged over five years;
- the disability factor is the measure of 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 20 per cent more than the standard for a library service because of issues such as non-resident borrowers, aged population, student numbers, non-English speaking community and population distribution, the disability factor would be 20 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 the Commission has identified a number of variables that are considered to be the most significant in influencing a council's expenditure on that particular service. These variables are termed 'disabilities'. A council may have a disability due to inherent factors such as topography, climate, traffic, or duplication of services. In addition to disabilities identified by the Commission, 'other' disabilities relating to individual councils may be determined. These may arise where unique circumstances have been identified as a result of holding public hearings with councils or special submissions.

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

**Disability factor = (council measure ÷ standard measure – 1) x 100 x weighting** where:

- the council measure is the individual council's measure for the disability being assessed (for example, for Aged Services, percentage of population >60)
- the standard measure is the state standard (generally the average) measure for the disability being assessed
- the weighting is meant to reflect the significance of the measure in terms of the expected additional cost. The weightings have generally been determined by establishing a factor for the maximum disability based on a sample of councils or through discussion with appropriate peak organisations.

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 uses the inclusion approach in the treatment of specific purpose grants for library services and local roads. This means the disability allowance is discounted by the specific purpose grant as a proportion of the standardised expenditure.

The deduction approach is used for services where the level of specific purpose payment assistance is related to council effort. This method deducts specific purpose grant amounts from all councils' expenditure before standard costs are calculated. The Commission considers the deduction approach to be more consistent with the 'effort neutral' requirement specified in the nationality principles.

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.

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, 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).

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.

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 are worthwhile. Further, councils that had failed to adequately maintain their assets could be rewarded at the expense of those that did maintain them.

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, 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; and
- 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). 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.

Generally the levels of a council's expenditure on a particular service do not affect 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 former NSW Premier, Mike Baird and the former Minister for Local Government, the Hon. Paul Toole MP announced the creation of 19 new councils in NSW. The number of councils reduced from 152 to 130 due to the mergers. A further amalgamation was announced on 9 September 2016, making a total of 129 local government areas. In accordance with the legislation 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 follow.

#### Expenditure allowances – general

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

$$A_c = N_c \times E_s \times D_c$$

Where:  $A_c$  allowance for the council for the expenditure service

$N_c$  number of units to be serviced by council

$E_s$  standard expenditure per unit for the service

$D_c$  disability for the council for service in percentage terms

### Expenditure allowances – road length allowances

In addition to the disability allowances, road length allowances are calculated for each road type based on the following formula:

$$Ac = Nc \times Es \times \frac{Lc}{Nc} - \frac{Ls}{Ns}$$

Where:

Ac = allowance for road length

Nc = number of relevant properties for the council

Es = standard cost per kilometre

$\frac{Lc}{Nc}$  = council's relevant length of road per relevant property

$\frac{Ls}{Ns}$  = standard relevant length of road per relevant property

### Isolation allowances

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

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

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); lc = the additional per capita allowance due to industrial award obligations (if applicable); and 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; and 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; and Tc = council's value per property.

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

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

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

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

#### Revenue allowances – pensioner rebate allowances

The general formula for the allowance to recognise the differential impact of compulsory pensioner rates rebates is:  $A_c = R_c \times N_c \times (P_c - P_s)$ .

Where:  $A_c$  = the allowance for the council;  $R_c$  = the standardised rebate per property for the council;  $N_c$  = the number of residential properties;  $P_c$  = the proportion of eligible pensioner assessments for the council; and  $P_s$  = the proportion of eligible pensioner assessments for all councils.

The standardised rebate for the council ( $R_c$ ) is:  $R_c = 0.25 \times T_c \times t_s$ .

Where:  $T_c$  = the average value per residential property in the council and  $t_s$  = the standard tax rate (rate in the dollar) for residential properties. The maximum value for  $R_c$  is set at 125.  $T_c$  and  $t_s$  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*, are 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 *Local Government (Financial Assistance) Act 1995*; 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.

## Principles – 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 or '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 or 'Rural area' means an area not designated as an 'urban area'
3. Initial distribution of 27.54 per cent to local roads in urban areas and 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, and (b) 93 per cent distributed to councils on the basis of (i) 80 per cent distributed on length of roads, and (ii) 20 per cent distributed on population.
6. Data

Population is based on the most up-to-date Estimated Resident Population figures available from the Australian Bureau of Statistics (ABS).

Road length is based on the most up-to-date data available to the Commission for formed roads, which are councils' financial responsibility.

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.

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 2016–17 from 2015–16

In 2013-14 the Grants Commission put in place strategies to deliver improved outcomes to relatively more disadvantaged smaller rural communities, generally those with resident populations below 10,000. This decision, which resulted from the Commission's observations during their rounds of public hearings, was consistent with the NSW Independent Local Government Review Panel's findings.

The strategies included:

- applying a weighting to the standard cost for unsealed local roads in the general purpose component of the grant on the basis that the standard cost did not reflect the inability of small rural councils to adequately fund these roads;
- a reassessment of a small number of “other” discretionary disability factors in the administration and governance function; and
- removal of the urban density measure from the recreation function.

The Commission has retained these strategies since their implementation.

In addition, the long-standing upper capping limit that had applied to movements in the general purpose component grant was relaxed to more quickly move funds to the smaller rural remote councils.

To help minimise the budgetary impact of sudden and unexpected grant reductions the Commission continued the long-standing arrangement of a lower limit on grant movements for the general purpose component.

These strategies were extended for the 2016–17 year to help reduce the impact for councils most reliant on grant funding caused by the Australian Government's decision to pause indexation on the grants.

The strategies for 2016–17 include:

- the standard cost for unsealed local roads in the general purpose component has been weighted;
- replacing the population growth measure with a measure for below average population growth in the administration function;
- increasing weighting that applies to economies of scale;
- an on-going review of a number of “other” disability factors across a range of expenditure functions; and
- decreasing the upper capping limit to facilitate the effect of the grant changes to rural remote councils.

When compared to 2015–16, the 2016–17 general purpose component grant outcomes results in:

- grants to metropolitan councils reduced on average by 1.4 per cent;
- grants to non-metropolitan councils increased by 0.7 per cent;
- the top five general purpose component increases were for: Ballina (10 per cent) Byron (10 per cent), Bogan (9.2 per cent), Brewarrina (8.9 per cent) and Central Darling (8.6%);
- thirteen councils were protected by a capped lower limit of a 5 per cent reduction: Bathurst Regional, Blacktown, Campbelltown, Canterbury-Bankstown, Cumberland, Fairfield, Lithgow, Liverpool, Muswellbrook, Orange, Penrith, Wagga Wagga, and Yass Valley;
- the number of minimum grant councils decreased by 5 to 21; and
- 12 of the 21 minimum grant councils did better than the State average increase because of their above average population growth.

The Grants Commission has been undertaking a review of the NSW grant distribution model to councils and of the Commission's internal processes. In order for there to be any changes, the Commission must be satisfied that the funding model meets the requirements of the National Principles.

## Developments in relation to the use of long term financial and asset management plans for 2016–17

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+).

For the 2016–17 year 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.

Following an assessment during the previous year of how well councils meet asset management and financial sustainability benchmarks, and their plans to continue to do so, financial reassessment programs were undertaken for a number of councils during 2016–17 that had not met the financial assessment criteria. An additional 12 councils were reassessed as meeting the financial benchmarks, demonstrating their ability to better deliver services and infrastructure to their communities now and into the future.

In addition, changes to the *Local Government Act 1993* (NSW) included a provision for the Auditor-General to oversee the audit of councils' annual financial statements and to conduct performance audits of individual councils and the sector as a whole.

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 2016–17

The NSW Government continues to make comparative data publications and time series data freely accessible via the internet to promote transparency and accountability.

The publication of the Office of Local Government's *Your Council 2015–16* time series data marks the 26th year of the publication of data on NSW local government councils to enable comparisons against a range of performance indicators between councils and over time.

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.

As part of the NSW Government's reform program to create stronger and more effective local councils, the NSW Government is also developing a new local government performance measurement framework.

This work will build on a range of existing financial and other performance data to capture a set of core, consistent performance indicators for the overall efficiency and effectiveness of councils.

This will enable councils to drive their own improvement over time, provide a picture of overall council performance, enhance accountability and assist the NSW Government and others to better understand and support local council performance.

## Reforms undertaken during 2016–17

In 2016–17, the NSW Government worked to consolidate a number of key reform priorities to strengthen the system of local government in NSW.

The Government continued to support the 20 new councils established the previous year, including through allocating \$375 million from the Stronger Communities Fund and the New Council Implementation Fund to 251 major infrastructure and service projects and 688 community projects across NSW to support the councils and their communities.

The Government also continued to refine the Joint Organisation model, a collaboration model for councils and NSW agencies in regional NSW, including through consultation on a model developed through a pilot process across five regions. Feedback provided during the year indicates the potential opportunities Joint Organisations will provide for councils and the NSW Government to improve the way councils, the Government and other key partners work together regionally to deliver shared priorities — such as jobs, education, housing, infrastructure and services to regional and rural communities.

During the year, support was continued for councils in the Far West of NSW to address the region's unique challenges and develop new approaches for regional governance and service delivery.

## Initiatives undertaken and services provided by local government to Aboriginal and Torres Strait Islander communities for 2016–17

During the year the Government implemented a 'Candidate Diversity Strategy' to encourage Aboriginal and Torres Strait Islanders and other diverse groups to stand for election at the local government elections held in over 80 local government areas in September 2017.

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.

## Local government reform actions including deregulation and legislative changes during 2016–17

During 2016-17, the NSW Government made amendments to modernise and streamline the Local Government Act 1993 (NSW)(the Act) to ensure local government legislation continues to meet the current and future needs of the NSW community.

A number of important amendments were made to strengthen the governance, strategic planning and performance frameworks under which councils in NSW operate. Those that commenced during the year include:

- a new requirement for all councillors to take an oath or affirmation of office;
- new prescribed roles and responsibilities for mayors, councillors and councils;
- clarification of the role of Administrators;
- new purposes and principles for local government;
- the appointment of the Auditor-General as the auditor of all councils with the ability to conduct sector-wide performance audits; and
- a new power to appoint a financial controller to a council in conjunction with a performance improvement order.

Council integrity measures were also introduced in 2016–17. The amendments strengthen rules around pecuniary interest disclosures by councillors and penalties for breaches, increase restrictions on persons who are not 'fit and proper persons' from holding office in councils and impose caps on political donations.

Changes to the Act additionally included provisions for the Auditor-General to oversee the audit of councils' annual financial statements and to conduct performance audits of individual councils and the sector as a whole.

The full list of legislative amendments during the reporting period are listed below:

- *Local Government and Elections Legislation Amendment (Integrity) Act 2016*. Assented to and commenced, 1 July 2016;
- *Local Government Amendment (Governance and Planning) Act 2016*. Assented to 30 August 2016. Date of commencement: various (30 August 2016, 23 September 2016, 1 October 2016, 25 November 2016); some provisions not in force;
- *Local Government Amendment (Rates – Merged Council Areas) Act 2017*. Assented to and commenced, 31 March 2017;
- *Local Government (General) Amendment (Minimum Rates) Regulation 2016*. Date of commencement, 1 July 2016;
- *Companion Animals Amendment (Registration) 2016*. Date of commencement, 4 July 2016;
- *Local Government (General) Amendment (Transitional) Regulation 2016*. Date of commencement, 1 October 2016;
- *Local Government (General) Amendment (Transitional Auditors) Regulation 2016*. Date of commencement, 18 November 2016; and
- *Local Government (General) Amendment (Performance Management) Regulation 2016*. Date of commencement, 25 November 2016.

## Report from the Victorian Government

### Victoria Grants Commission methodology 2016–17 grant allocation

The Victoria Grants Commission allocates general purpose and local roads grants in accordance with the National Principles formulated under the *Local Government (Financial Assistance) Act 1995* (Cwth).

#### *Methodology for general purpose grants*

A raw grant is obtained for each council, 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 of the *Local Government (Financial Assistance) Act 1995* (Cwth) and associated national distribution principles to provide a minimum grant to each council. Increases and decreases in general purpose grant outcomes have been capped (as outlined later), which also 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. Details of natural disaster assistance grants allocated for 2016–17 are found at the end of this section.

#### *Standardised expenditure*

Under the Victoria Grants 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 Victoria Grants Commission's model matches the pattern of actual council expenditure.

The total recurrent expenditure across all Victorian councils in 2014–15 was \$7.6 billion. Under the Victoria Grants Commission's methodology, the gross standardised expenditure in the allocation model for 2016–17 therefore also equals \$7.6 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, and a composite cost adjustor which takes account of factors that make service provision cost more or less than the state average for individual councils.

### 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 Table 16.

Table 16 Victoria's major cost drivers and average expenditures

<b>Expenditure function</b>	<b>Major cost driver</b>	<b>Average expenditure per unit (\$)</b>
Governance	Population (adjusted)	60.62
Family and community services	Population	139.86
Aged and disabled services	Population >60 + disability pensioners + carer's allowance recipients	401.16
Recreation and culture	Population	285.26
Waste management	Number of dwellings	320.12
Traffic and street management	Population	128.95
Environment	Population (adjusted)	63.36
Business and economic services	Population (adjusted)	166.44

Several different major cost drivers are used. These are viewed by the Victoria Grants Commission as being the most significant determinant of a council's expenditure need for a particular function.

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 to assess relative expenditure needs for these functions take account of high rates of vacant dwellings at the time of the census. Councils with a vacancy rate above the state average are assumed to have a population higher than the census-based estimate. For the governance function, councils with an actual population of less than 20,000 are deemed to have a population of 20,000. For the environment function and the Business & Economic Services function, councils with a population less than 15,000 are assumed to have a population double that amount, to a maximum of 15,000.

### Cost adjustors

A number of cost adjustors are used in various combinations against each function. These allow the Victoria Grants Commission to take account of an individual council's particular characteristics, which impact on the cost of service provision on a comparable basis. Each cost adjustor has been based around a state-weighted average of one, with a 1:2 ratio between the minimum and maximum values, to maintain the relative importance of each expenditure function in the model.

The 12 cost adjustors used to calculate the 2016–17 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.

As 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.

The Victoria Grants Commission made some changes to the construction of the cost adjusters to reduce the impact of “outlier” data. This has resulted in a small change to the Tourism and Language cost adjusters.

*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.

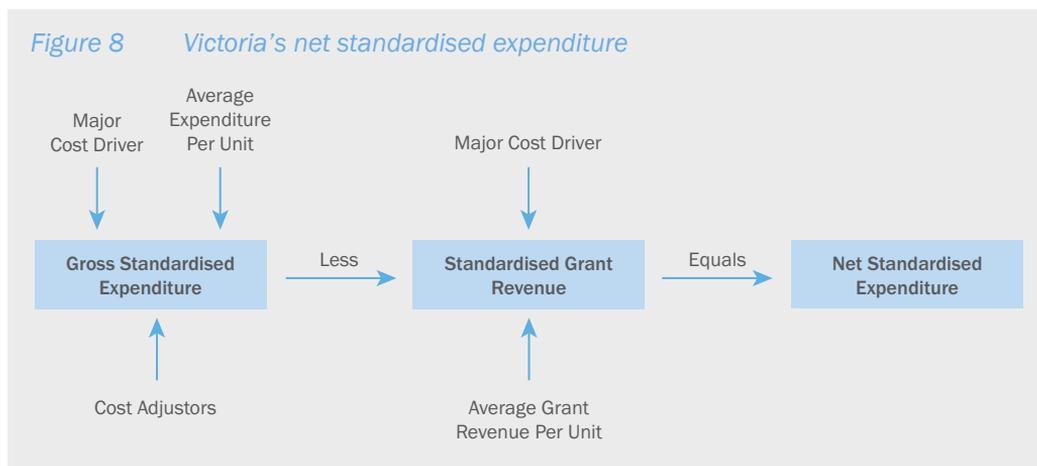
Average grant revenue on a per unit basis (based on actual grants received by local government in 2014–15) is shown in Table 17.

Table 17 Victoria’s average grant revenue

<i>Expenditure function</i>	<i>Major cost driver</i>	<i>Average grants per unit (\$)</i>
Governance	Population (adjusted)	1.78
Family and community services	Population	37.68
Aged and disabled services	Population > 60 + disability pensioners + carer’s allowance recipients	185.03
Recreation and culture	Population	6.12
Waste management	Number of dwellings	0.16
Traffic and street management	Population	2.40
Environment	Population (adjusted)	1.18
Business and economic services	Population (adjusted)	1.10

*Net standardised expenditure (for each function)*

The calculation of net standardised expenditure for each expenditure function is shown in Figure 8.



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 Victoria Grants Commission's local roads grants model. As outlined later, this incorporates a number of cost modifiers (similar to cost adjusters) 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 program 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 equally.

Rate revenue raising capacity is calculated separately for each of the three major property classes (residential, commercial/industrial/other and farm) using a three year average of valuation data.

The derivation of the average rates for each property class is shown in Table 18.

**Table 18** Victorian property classes average rates

<b>Category</b>	<b>Total average valuations (\$ billion)</b>	<b>Total rate revenue (\$ billion)</b>	<b>Average rate (\$ billion)</b>
Residential	1 127.719	3.423	0.00303
Commercial/industrial/other	214.987	0.805	0.00375
Farm	77.687	0.261	0.00336

The Victoria Grants Commission constrains increases in each council's assessed revenue capacity to improve the stability of 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.

The Commission has made a special adjustment to the valuations data used in calculating the general purpose grant for Colac Otway Shire Council to give immediate recognition to the impact of the loss of rate revenue resulting from the Wye River/Separation Creek bushfire in December 2015. This follows similar adjustments made by the Commission following the Black Saturday bushfires in February 2009 and has had a positive impact on Colac Otway's grant outcome.

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

For each council and 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 account for differences between municipalities in their capacity to generate fees and charges.

The standard fees and charges used for each function (based on adjusted median actual revenues generated by local government in 2014-15) are shown in Table 19 along with the revenue adjustors.

*Table 19 Victorian standard fees and charges*

<i>Expenditure function</i>	<i>Major driver (units)</i>	<i>Standard fees and charges per unit (\$)</i>	<i>Revenue adjustors</i>
Governance	Population	14.19	Nil
Family and community services	Population	11.08	Socio-economic
Aged and disabled services	Population > 60 + disability pensioners + carer's allowance recipients	46.04	Household income
Recreation and culture	Population	22.41	Valuations (per cent commercial)
Waste management	Number of dwellings	26.28	Nil
Traffic and street management	Population	9.92	Valuations (per cent commercial)
Environment	Population	1.35	Nil
Business and economic services	Population	27.22	Tourism + value of development
Local roads and bridges	Population	1.80	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.

### *Variable capping*

The Victoria Grants Commission loosened its variable capping regime in 2016-17 to prepare for the conclusion of the Australian Government's 'pause' on indexation under the Financial Assistance Grant program.

For general purpose grants, the 2016-17 grants were limited to:

- 3 per cent for increases, except for minimum grant councils
- 6 per cent decreases for metropolitan and regional centre councils
- 3 per cent decreases for rural councils.

### *Methodology changes*

In preparing its estimates of general purpose grants, the Victoria Grants Commission gave careful consideration to specific issues raised by councils through five written submissions and the individual and the regional meetings held throughout the year.

All data used by the Commission in allocating general purpose grants has been updated where possible. The Commission has continued to review its allocation methodology. Whilst not making any significant changes to that methodology for 2016-17, it is continuing to review several aspects of the formula.

In keeping with its usual practice, the Commission will also consider various potential improvements to the allocation methodology, based on input received from councils and its own research. Two particular areas of focus for 2016-17 are: updating and improving the data set used to construct the environmental risk cost adjustor; and reviewing the assessment of relative expenditure need for the waste management function.

### Minimum grants

The available general purpose component for Victorian councils represents, on average, 66.88 per head of population (using Australian Bureau of Statistics population estimates as at 30 June 2015). 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 20.06 for 2016-17).

Without the application of this principle, 2016-17 general purpose grants for 13 councils—Bayside, Boroondara, Glen Eira, Hobsons Bay, Kingston, Manningham, Melbourne, Monash, Moonee Valley, Port Phillip, Stonnington, Whitehorse and Yarra—would have been below the 20.06 per capita level. The minimum grant principle increased the general purpose grants to these councils to that level.

### Estimated entitlements 2016-17

A summary of the changes in estimated general purpose component allocations from 2015-16 to 2016-17 is shown in Table 20.

Table 20 Victorian changes from 2015-16 to 2016-17 for estimated general purpose

<i>Change in general purpose grant</i>	<i>Number of councils</i>
Increase of more than three per cent*	1
Increase of three per cent (capped)	9
Increase of zero per cent to <3 per cent	51
Decrease of zero per cent to <3 per cent (rural)	2
Decrease of zero per cent to <6 per cent (metro, regional centres)	8
Decrease of 3 per cent (lower limit) (rural)	1
Decrease of 6 per cent (lower limit) (metro, regional centres)	7
<b>Total</b>	<b>79</b>

\*Increase exceeds three per cent due to the City of Melbourne's minimum grant council status.

### Natural disaster assistance

The Victoria Grants 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 help with repairs and restoration work. This funding is taken from the available general purpose grants pool prior to the allocation.

Nineteen grants to 15 councils were allocated in 2016-17, totalling \$528,762. This is a decrease from the 30 grants made to 16 councils in 2015-16, totalling \$970,153.

Recommended natural disaster assistance grants from the 2016-17 allocation are outlined in Table 21.

Table 21 Victorian natural disaster assistance grants

Natural disaster assistance for 2016-17		Amount (\$)
Baw Baw	Storm	35 000
Benalla	Bushfire	31 296
East Gippsland	Flood, Bushfire (2 events)	59 729
Hepburn	Tornado	35 000
Knox	Storm	11 132
Latrobe	Storm	18 477
Mansfield	Storm	35 000
Mitchell	Bushfire	23 799
Moyne	Flood	27 315
Nilumbik	Flood (2 events)	70 000
Northern Grampians	Flood	35 000
South Gippsland	Storm	35 000
Strathbogie	Bushfire (2 events)	42 014
Wellington	Bushfire	35 000
<b>Total</b>		<b>528 762</b>

### Methodology for local roads funding

The Victoria Grants Commission's formula for allocating local roads grants is based on each council's road length (for all surface types) and traffic volumes, using the 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 into account the deck area of bridges on local roads.

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

### Road and traffic volume data

The allocation of local roads grants for 2016-17 was based on traffic volume data reported by all councils for the 12 months to June 2015.

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 130,501 kilometres of local roads as at 30 June 2015, a decrease of 48 kilometres, or 0.04 per cent less than the length reported 12 months earlier. Variations in local road length is summarised in Table 22.

Table 22 Variations in Victoria's local road length

<b>Change in length of local roads</b>	<b>Number of councils</b>
Increase of more than five per cent	0
Increase of one per cent to five per cent	11
Increase of up to one per cent	29
No change	22
Decrease of up to one per cent	11
Decrease of one per cent to five per cent	5
Decrease of more than five per cent	1
<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 were altered for the 2015–16 allocations to better reflect councils' aggregate actual expenditure on road maintenance. However, this change had no impact on the distribution of local roads grants. The asset preservation costs used for the 2016–17 allocations are shown in Table 23.

Table 23 Victorian asset preservation costs

<b>Local road type</b>	<b>Daily traffic volume range</b>	<b>Annual asset preservation cost \$/km</b>
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 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.

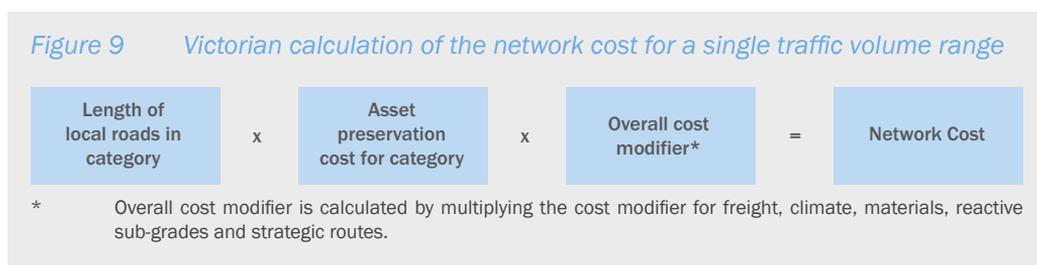
Relatively high cost modifiers add to the network cost calculated for each council, and so increase its local roads grant outcome. Additional information on the cost modifiers used in the local roads allocation model is provided at the end of this section. No changes were made to the cost modifiers for the 2016–17 allocation.

### Grant calculation

The Victoria Grants Commission calculates a total network cost for each council's local roads. This represents the relative annual costs faced by the council to maintain its local road and bridge networks, based on average annual preservation costs and taking into account 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.

The calculation of the network cost for a single traffic volume range for a council is illustrated in Figure 9.



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

### Variable capping

The Victoria Grants Commission loosened its variable capping regime in 2016-17 to prepare for the conclusion of the Australian Government's 'pause' on indexation under the Financial Assistance Grant program. The 2016-17 local road component was limited to a:

- 5 per cent increase for all councils
- 6 per cent decrease for metropolitan and regional centre councils
- 3 per cent decrease for rural councils.

### Estimated entitlements 2016-17

In general, where a significant change occurred in a council's local roads grant for 2016-17, this was due to a combination of: the significant changes made to the allocation model in 2013-14 still flowing through into the 2016-17 allocation; and changes in traffic volume data supplied by the council to the Victoria Grants Commission.

A summary of the changes in estimated local roads grant entitlements from 2014-15 to 2015-16 is shown in Table 24.

Table 24 Victorian changes in estimated local roads grant entitlements

<b>Change in local roads grant</b>	<b>Number of councils</b>
Increase of 5 per cent (upper limit)	6
Increase of zero per cent to <5 per cent	31
Decrease of zero per cent to <3 per cent (rural)	20
Decrease of zero per cent to <6 per cent (metro, regional centres)	16
Decrease of 3 per cent (lower limit) (rural)	5
Decrease of 6 per cent (lower limit) (metro, regional centres)	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

The introduction of the Fair Go Rates System (FGRS) from 1 July 2016 applied a 2.5 per cent cap 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. 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.

### Finance and Accounting Support Team

Victorian councils are responsible for managing over \$91 billion in infrastructure and assets, which impacts their finances significantly. Robust asset management practices are therefore required to ensure Victorian 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 was announced in the 2016-17 Victorian Government budget. FAST 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.

### Long-term Financial Planning

The Local Government Act Review is a major project being undertaken by Local Government Victoria to review the Local Government Act 1989. A directions paper, titled “*Act for the future: Directions for a new Local Government Act*” was released in 2016 and highlighted the importance of integrated, long-term planning. The directions paper proposed that Victorian councils be required to prepare, adopt and review a ten year financial plan and a ten year asset plan. Improved alignment between long term financial plans and asset management plans and strategies continues to be a government priority and the proposed directions reflect the intent for greater alignment in legislation. Financial reporting and asset management practices in Victorian councils were further improved by two initiatives that targeted strengthening data analysis, reporting, and providing financial support to individual and groups of councils.

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

### *Local Government Performance Reporting Framework and the Know your council website*

In November 2015, the Victorian Minister for Local Government launched the *Know your council* ([www.knowyourcouncil.vic.gov.au](http://www.knowyourcouncil.vic.gov.au)) website, which is designed to improve council transparency and accountability and to make it easy for the community to access and compare council performance.

The website, based on Victoria's Local Government Performance Reporting Framework (LGPRF), requires all Victorian councils to collect performance data and report against 59 performance indicators each year across 11 different service areas, including finance, roads, waste and libraries. The framework also includes a checklist of 24 items considered essential for supporting good governance and management in local government.

The 2016–17 data was launched online in December 2017, which is the third year of data on the website and allows users to begin to see trends in council performance, as well as compare councils and how they perform year on year. The data is often accompanied by a narrative provided by councils, which gives context to readers.

The website has been nominated for a number of national awards. In 2016, the site was awarded Runner Up of the Government 2.0 category at the Australian Government ICT Awards in Sydney, and shortlisted for the IPAA Prime Minister's Awards in Canberra. The Know Your Council website has shown to be a popular resource, with several other jurisdictions around Australia and overseas showing interest in developing a similar resource, with more than 500,000 unique users visiting the site since it was launched. The framework was recognised by the Australian Productivity Commission in its "*Shifting the Dial: 5 year productivity review*" released in October 2017, in which the Commission encouraged other state and territory governments to draw on Victoria's example and experience with performance reporting.

Continuous improvement of the framework and website is being governed by a local government steering committee with representation from peak local government bodies, Ratepayers Victoria and representative council CEOs. A series of technical working group meetings have been held during 2017–18 with service area specialists and LGPRF coordinators from the sector to review the existing framework and website. These meetings will inform the future direction of the framework and website, including potential changes to existing indicators, addition or removal of indicators, and website enhancements.

In addition to comparative reporting and benchmarking, the *Know Your Council* website has important profile information about each council, including population data, details of councillors, grant funding and geographic information on council areas. A news page, council directory and a Guide to Councils with information about how councils work and the range of services delivered is also available on the site, making it a one-stop-shop for information on the local government sector in Victoria.

## Reforms to improve the efficiency and effectiveness of local government service delivery

### *Legislative reform*

The Government continued an extensive review of the Victorian *Local Government Act 1989* over the past year. Following the Government's release of a policy Directions Paper in June 2016, it engaged in a detailed consultation on the 157 reform directions proposed to inform the drafting of a new Local Government Bill.

The reforms contained in the Directions paper aim to:

- revitalise local democracy;
- drive micro-economic reform; and
- establish a clearer and more accessible legislative framework.

After the release of Act for the future: Directions for a new Local Government Act, there were about 7,000 downloads of the review documents from the dedicated Act Review website ([www.yourcouncilyourcommunity.vic.gov.au](http://www.yourcouncilyourcommunity.vic.gov.au)). There was extensive consultation with the local government sector and the community about the proposed reform directions. The Government received a total of 333 submissions. In all, the review received more than 2,500 individual comments across the 157 reform directions.

Consultation on the Directions Paper included 19 forums involving mayors, councillors, council CEOs and community and ratepayer representatives. Forums were held in Anglesea, Ararat, Benalla, Frankston, Kyneton, Melbourne CBD, Mildura, Traralgon and Werribee. At each location there was:

- a local government sector forum for mayors and CEOs or their delegates from nearby councils;
- a community forum for members of the public randomly selected to reflect the composition of the community: half with experience dealing with their council and half without; and
- a listening post in a high-traffic shopping centre, at which members of the public were invited to fill in quick submissions.

Seven technical working groups of senior sector experts were also formed to test potential reform directions and establish their practicality, identify implementation challenges and resolve timing and staging issues associated with proposed reforms.

This engagement was used to inform the development of an Exposure Draft Bill as a basis for further community and sector input.

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

A number of initiatives were undertaken in 2016–17 which focused on improving partnership and service delivery arrangements with Aboriginal and Torres Strait Islander communities.

### *Victorian Aboriginal and Local Government Action Plan*

The Victorian Aboriginal and Local Government Action Plan (Action Plan) was launched in December 2016. The Action Plan was a commitment made by the Victorian Government under its *Ministerial Statement on Local Government (Action 16)*. Through the Action Plan councils are encouraged to advance reconciliation and improve service delivery to Aboriginal Victorians.

The Action Plan is a foundational element of the Victorian Government's approach to support Victorian councils to actively advance the interests of Aboriginal people in the roles of councils as local leader, employer and procurer of services, service provider, and statutory planning authority.

The Action Plan has been developed as a resource showcasing successful case studies and examples occurring within councils already, and as a framework to assist councils and Aboriginal communities progress locally driven initiatives.

Implementation of the Action Plan is underway. A broad collection of stakeholders have come together to form an Implementation Partnership Group (IPG). This group includes the Victorian Aboriginal Heritage Council, LGPro, state government representatives from across health, education, business and justice, representatives of the Federation of Victorian Traditional Owner Corporations, Koorie Youth Council and Victorian Aboriginal Community Controlled Health Organisations. The IPG provides oversight of the implementation of the Action Plan and linkages with existing programs and initiatives across government to ensure actions are collaborative, realistic and achievable.

Work is underway to implement the Action Plan, including:

- ongoing support to Reconciliation Victoria for the Maggolee website ([www.magoolee.org.au](http://www.magoolee.org.au)) as a central information hub for local government and Aboriginal initiatives, information and as a platform to celebrate excellence and improved practice among Victorian local governments and Aboriginal partnerships;
- development of a new LGPro good governance award to support Aboriginal and local government governance initiatives;
- support for the annual HART Awards celebrating reconciliation partnerships in local government;
- the establishment of an Aboriginal business incubator pilot to increase local government procurement from Aboriginal businesses;
- updated social procurement guidelines for local government that include Aboriginal business procurement and support to councils to increase procurement from Aboriginal businesses;
- an Aboriginal specific component of GoWomen supporting Aboriginal women to run for local government elections in 2017; and
- ongoing support and training for local government staff to implement local government strategies of the *Recognition and Settlement Agreements under the Traditional Owner Settlement Act 2010*.

Building on the important work already underway a new Aboriginal and Councils Partnerships Program is being developed to provide seed funding to Aboriginal and local government partnerships to implement initiatives in any of the four areas outlined in the Action Plan. Funding is being sought to help councils develop meaningful proposals in partnership with Aboriginal Victorians to employ Aboriginal Victorians, protect heritage, procure services, demonstrate leadership or deliver services more effectively.

Annual reviews with broader community input alongside developments in related areas such as treaty negotiations, will assist ambitious and innovative responses for ongoing implementation.

### *Local Government Engagement Strategies under the Traditional Owner Settlement Act 2010*

Local Government Victoria has responsibility for the Local Government Engagement Strategies that may arise from the Recognition and Settlement Agreements.

Local Government Victoria is facilitating the implementation of the Local Government Engagement Strategy of the Dja Dja Wurrung and the Gunai Kurnai Recognition and Settlement Agreement, under the *Traditional Owner Settlement Act 2010*. Local Government Victoria has facilitated workshops, meetings, council updates and training sessions with councils and Dja Dja Wurrung organisations to increase engagement in, and facilitate actions under, the Recognition and Settlement Agreement.

Twelve local government boundaries overlap Dja Dja Wurrung Country, and nine overlap Gunai Kurnai Country, according to native title determinations under the *Traditional Owner Settlement Act 2010*.

Local Government Victoria is looking to expand this approach and work collaboratively with the Department of Justice and Regulation to support councils implementing Local Government Engagement Strategies as other Recognition and Settlement Agreements progress state-wide.

## Report from the Queensland Government

The methodology used for distributing funding under the Financial Assistance Grant program to local government for 2016–17

### *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 Queensland Local Government Grants Commission, a formula based on road length and population best meets this National Principle for Queensland. In this formula:

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

### *General purpose component*

A new methodology was implemented for the general purpose component in 2011–12 and this continues to be used. The new methodology complies with the National Principles and no further changes were made for the 2016–17 grant allocation.

As in previous years, every local governing body in the state 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 general purpose component. In 2016–17 this amount equated to 20.01 per capita. The remaining 70 per cent of the general purpose component is distributed according to relative need, according to the National Principles.

To determine relative need, the methodology derives averages for revenue raising and expenditure on service provision that are 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 these averages are applied, the Queensland Local Government Grants 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 Queensland Local Government Grants Commission uses the revenue categories of: rates, other grants and subsidies, garbage charges, and fees and charges.

The rating assessment is still based on: the total Queensland rate revenue divided by the total Queensland land valuation, to derive a cent in the dollar average, which is then multiplied by each council's total land valuation. Both the Queensland total and individual council valuation figures below are an average of ten years, to avoid excessive fluctuations. This assessment is illustrated in Figure 10.

Figure 10 Queensland rating assessment

$$\frac{\text{State total rate revenue}}{\text{State total valuation (10 year average)}} = \text{cent in the dollar average} \times \text{council total valuation (10 year average)}$$

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. The methodology uses three of the indices: Index of Relative Socio-Economic Advantage and Disadvantage (Socio-Economic Indexes for Areas 2); Index of Economic Resources (Socio-Economic Indexes for Areas 3); and Index of Education and Occupation (Socio-Economic Indexes for Areas 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.

Fees and charges are averaged on a per capita basis. Garbage revenue is averaged on the basis of the number of bins 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 Queensland Local Government Grants Commission are included as revenue according to the actual amounts received by council. Three grants are included by the Queensland Local Government Grants Commission:

- previous year's local roads component (50 per cent);
- Queensland Government Financial Aid (Indigenous councils only – 20 per cent); and
- the minimum grant component of the previous year's general purpose component of the Financial Assistance Grant program (100 per cent).

Table 25 provides a summary of the Queensland revenue assessment model.

Table 25 Queensland revenue assessment model

<b>Revenue category</b>	<b>Revenue driver(s)</b>	<b>Unit of measure (state average)</b>
Rates	Total valuations	Average cent in dollar rates: 0.009
Garbage charges	Number of bins serviced	482 per bin serviced
Fees and charges	Population	331 per capita
Other grants	Actual grants received	Identified road grant component of the Financial Assistance Grant program (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 regards to the expenditure assessment, the Queensland Local Government Grants 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; and roads and environment.

The Queensland Local Government Grants Commission considers that the suite of cost adjustors are applied to service categories. Table 26 outlines the expenditure categories, the units of measure and the cost adjustors applied to assess the cost of service provision.

Table 26 Outline of expenditure assessment 2016-17

Service expenditure category	2016-17 unit of measure	Services cost adjustors				
		Location	Demography – Indigenous	Demography – age	Demography – Indigenous/age	Scale
Administration	Actual remuneration category + 389 per capita + 384 per property/130 per capita (Indigenous councils)	✓				✓
Public order and safety	29 per capita	✓	✓	✓	✓	✓
Education, health, welfare and housing	26 per capita	✓	✓	✓	✓	✓
Garbage and recycling	328 per residential property /103 per capita (Indigenous councils)	✓				✓
Community amenities, recreation, culture and libraries	210 per capita	✓	✓	✓	✓	✓
Building control and town planning	147 per residential property/46 per capita (Indigenous councils)	✓				✓
Business and industry development	39 per capita	✓				✓
Environment	102 per residential property/34 per capita (Indigenous councils)	✓				✓
Roads	Road expenditure assessment	✓				✓

## Roads expenditure

The Queensland Local Government Grants Commission uses an asset preservation model to assess road expenditure and estimate the cost to maintain a council's road network, including bridges and hydraulics. Table 27 provides the dollar values allocated on the basis of traffic volumes and applied cost adjustors.

Table 27 Queensland road expenditure assessment model

		Cost adjustors (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 <sup>2</sup>	<0.1p/km <sup>2</sup>	Undulating	Hilly	Mountainous
Rural	Unformed	324	0	25	0	0	0	5	10	2	5	0
	<40	649	0	20	0	0	0	5	10	2	5	0
	40-150	3 100	0	20	0	10	10	5	10	2	5	0
	150-250	5 634	-10	15	-5	10	10	2.5	5	2	5	10
	250-1000	7 955	-7.5	10	-5	10	10	2.5	2.5	2	5	10
	1 000-3 000	10 073	-7.5	10	-5	10	10	2.5	2.5	2	5	10
	>3 000	13 873	-7.5	10	-5	10	10	2.5	2.5	2	5	10
Urban	<500	11 083	-7.5	10	-2.5	5	5	2.5	2.5	0	2	5
	500-1 000	17 236	-7.5	10	-2.5	5	5	2.5	2.5	0	2	5
	1 000-5 000	27 401	-7.5	10	-5	10	10	2.5	2.5	0	2	5
	5 000-10 000	49 700	-7.5	10	-5	10	10	2.5	2.5	0	2	5
	>10 000	84 943	-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 and increase a council's road expenditure. These are outlined in Table 28.

Table 28 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 on the cost of providing services to its community. The current methodology uses the following cost adjustors:

- location – represents the additional costs in providing services related to the council location, and this 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 aged, young, Indigenous, and Indigenous people over 50 years of age.

Table 26 identifies which cost adjustors are applied to the service categories.

### *Scaling back*

The Queensland Local Government Grants 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 2016-17.

### *Application of the minimum grant principle*

In 2016-17, the Queensland Local Government Grants Commission determined, on the basis of the methodology, that the following councils were to receive the minimum grant component of the general purpose component 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 and Townsville City Council.

Changes to the methodology for distributing funding to local government under the Financial Assistance Grant program for 2016-17 from that used in 2015-16.

There were no changes to the methodology in 2016-17.

### **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 which 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 are implementing 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 2016–17. This report helps 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 against other councils.

## Reforms undertaken during 2016–17 to improve the efficiency and effectiveness of local government service delivery

In May 2017, amendments to the *Local Government Electoral Act 2011* were enacted to improve transparency and accountability in local government electoral disclosure requirements including the introduction of real-time online electoral donation disclosures for local government elections.

## 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 2016–17, \$30.33 million was the funding pool for the State Government Financial Aid program for the state's 16 Indigenous councils, with each council receiving 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 will be delivered over four years and will be managed by the Department of Local Government, Racing and Multicultural Affairs. The aim of the 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. It is available to all Indigenous local governments.

In 2016–17, the Queensland Government introduced the Works for Queensland (W4Q) Program supporting 65 regional councils to undertake job-creating maintenance and minor infrastructure projects. \$200 million was allocated to 65 Councils in 2016–17 with \$27.01 million of this allocated to Queensland's 16 Indigenous Councils.

Other funding provided by the Queensland Government to Indigenous councils in 2016–17 included \$3.53 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.

Additionally, in 2016–17 the Queensland Government undertook:

- a \$388,000 upgrade to the water treatment infrastructure at Cherbourg;
- a \$3.37 million upgrade for a drinking water security project at Pormpuraaw;
- a \$849,000 wastewater upgrade at Aurukun; and
- a \$21,000 upgrade to drinking water infrastructure at Mapoon.

In 2016–17, the Queensland Government also commenced a \$15 million waste water infrastructure upgrade at Cherbourg, and a \$5.8 million upgrade to the wastewater infrastructure at Palm Island. In 2016–17, \$1.64 million was spent towards these projects.

### Any local government reform activities including deregulation and legislative changes by your jurisdiction during the reporting period

In May 2017, amendments to the *Local Government Electoral Act 2011* were enacted to improve transparency and accountability in local government electoral disclosure requirements including the introduction of real-time online electoral donation disclosures for local government elections.

## Report from the Local Government Association of Queensland

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

Progress on Queensland local governments' asset management capabilities and performance has been independently assessed over the past 12 months by both the Queensland Audit Office (QAO) and the Queensland Reconstruction Authority (QRA). Human capability has continued to be developed through the LGAQ's wholly owned subsidiary, Peak Services which provides training and advisory support to councils to develop capability across a range of skills, including financial and asset management.

The QAO reported its findings in Local government entities: 2016–17 results of financial audits Report 13. The Report noted that the five-year average asset sustainability ratio for all councils indicates that the sector is likely to be sufficiently maintaining, replacing and renewing infrastructure assets as they reach the end of their useful life (p5). However, the quality of council asset management plans remains an issue, and the QAO recommends that councils continue to assess their processes to ensure that asset registers are complete and remain current over time (p7). Further observations are expected in the upcoming QAO Performance Audit Report on Managing local government rates, fees and charges, to be tabled in May 2018.

The QAO Report also recognised that planned changes to the National Disaster Relief and Recovery Arrangements (NDRRA) will place more focus on councils' asset registers and maintenance records. The QRA assessed councils' systems as part of its preparations for the new Disaster Recovery Funding Arrangements (DRFA), to be introduced on 1 July 2018. This review suggested that Queensland councils' systems provide a good level of readiness to meet the requirements of the new arrangements, although there is scope for improvements over time.

While having long-term asset management plans in place provides a framework, funding capital replacement to maintain service levels to communities will continue to require fiscal transfers from State and Federal governments. The Australian local government sector manages about 25 per cent of public infrastructure assets, but directly collects a modest 3 per cent of public sector taxation (ABS 5512). Without the wider implementation of permanent, allocation-based funding programs, such as Roads to Recovery (Federal) and Works for Queensland (State), councils will be unable to budget for expenditures required under appropriate asset management plans.

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

The LGAQ's state-wide performance benchmarking service Ready.Set.Go. has evolved, with the service for Queensland councils now containing seven years of comparative performance data across 44 performance indices.

The LGAQ has made a \$6 million investment in a big data initiative set to unlock the potential of Queensland council data and reduce operational risks. LG Sherlock already has several pilot initiatives underway in energy efficiency, fleet management and animal management. In each pilot, data held by several councils was reviewed by a team of data scientists who identified opportunities for service improvements and new insights for improved local decision making.

Through the Association's Policy Executive, the LGAQ is progressing the introduction of a public facing council comparison tool. This tool would allow members of the public to perform web-based enquiries into the performance of Queensland's councils, offering users the ability to compare the results between commonly grouped councils.

## Reforms undertaken during 2015–16 to improve the efficiency and effectiveness of local government service delivery

Councils across Queensland continue to participate in large scale shared service arrangements primarily set up by the LGAQ as subsidiary companies. Independent analysis show that these subsidiary businesses and LGAQ initiatives continue to save participating councils \$100 million per annum (conservatively). They are:

- Peak Services – fee-for-service tailored business solutions and training for council.
- Local Buy– A procurement business set up in 2001 to aggregate the buying power of local government, reduce procurement timeframes and streamline the interaction of business and councils.
- Queensland Local Government Mutual (LGM) – Queensland local government's legal liability and assets self-insurance scheme which operates with the sole objective of delivering benefits to councils and local government-controlled entities.
- Local Government Workcare (LG W) – a workers compensation self-insurance scheme jointly driven by Queensland councils, council controlled entities and the LGAQ.
- LG Sherlock - A world-first data storage and analysis tool being introduced across an entire tier of government. Developed by the LGAQ to help Queensland councils convert their data to insights they can use to make the best possible decisions.
- Jadu - LGAQ partnership with a leading global provider of web experience management software and digital services, will give councils access to a world-class content management system.

Another example is the Queensland Water Regional Alliance Program (QWRAP), the only dedicated Queensland Government program supporting council water and sewerage services. The program promotes regional collaboration between councils, and has demonstrated success in financial savings, process improvements, and higher community satisfaction in the delivery of water and sewerage services. The program supports 30 councils across five regional groups. The groups cover 55 per cent of the State's area and 21 per cent of the State's population in more than 200 communities outside of Southeast Queensland. These local governments also manage more than \$25 billion in water and wastewater assets.

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

The LGAQ made a substantial submission to the Queensland Productivity Commission's (QPC) inquiry into service delivery in Queensland's remote and discrete indigenous communities. Aboriginal and Torres Strait Islander local governments in Queensland are hoping the inquiry will result in major structural changes in service delivery in order to Close the Gap on indigenous disadvantage in these Queensland communities. The final QPC report was sent to the Queensland Government on 22 December 2017 and we are awaiting the Government's response.

The LGAQ has run a major campaign to draw attention to the impact of the Federal Government's looming withdrawal from the long running National Partnership Agreement on Remote Indigenous Housing, which has invested \$5.4 billion into ensuring sufficient housing for indigenous communities where overcrowding is creating chronic social problems affecting health and education. In Queensland, the program has delivered positive outcomes in indigenous employment, education participation, health and reductions in violence and crime. The LGAQ is seeking continued direct federal investment in housing construction and maintenance in Queensland's remote indigenous communities to build on the gains made.

The LGAQ recognises that the digital needs for indigenous councils, while having some similarities to other councils, also have unique characteristics. In this regard the LGAQ has embarked on a broad range of strategies to work with indigenous councils to help improve their awareness, capability and opportunity to participate in the digital economy. These include:

- Hope Vale Fibre Optic Project – 25 kilometres of optic fibre from Cooktown to Hope Vale. Provides capacity for consumer and broadband services and augments capacity for 4G mobile base station. Combined application – Council, Qld Government (Building our Region) and LGAQ. Total Cost \$3.2m. Amount sought from BBR2 \$2.4m;
- TSRA – Core Project– TSIRC - The LGAQ has been a proactive supporter of the \$12m Torres Strait Regional Authority (TSRA) project to upgrade the core backbone to 15 island communities in the Torres Strait. The project is currently being rolled out and is expected to be completed by mid-2018; and
- Identifying significant mobile black spots to be included in Federal Government's Mobile Black Spot Program.

The LGAQ continues to lobby the Commonwealth and state governments to improve telecommunication infrastructure in indigenous communities. In this vein, the LGAQ has led a number of initiatives that are resulting in new core and access telecommunications infrastructure in remote indigenous communities.

## Local government reform activities including deregulation and legislative changes

In March 2016, the LGAQ made a submission to the Queensland Government on the need for reform of state government grants to local government. The LGAQ submission argued that the current competitive and fragmented grant arrangements create significant and unnecessary administrative costs and, more importantly, sub-optimal investments in local government infrastructure and services for communities.

This submission led to a review of grant programs jointly overseen by the then Department of Infrastructure, Local Government and Planning (DILGP) and the LGAQ. Undertaken by KPMG in conjunction with the AEC Group Ltd and completed in late 2017, the review was a comprehensive assessment of current state government grant funding arrangements to local government.

The KPMG/AEC report convincingly demonstrates that current grant program arrangements are not only fragmented and costly, they are failing to deliver best 'value for money' infrastructure and services to Queensland's communities. The review also highlighted that grant funding arrangements are undermining the ability of councils to engage in long-term planning and are contributing to the difficulties councils have in managing their assets and achieving financial sustainability.

The LGAQ is seeking that the Queensland Government commits to implementing the recommendations of the KPMG/AEC review, including:

Consolidating grant programs into a small number of program streams aligned to outcomes, with governance and oversight of each program stream comprising relevant state government departments and the LGAQ.

Grant program arrangements that provide funding certainty to councils, thereby supporting long-term planning, improved asset management and financial sustainability.

Finally, significant legislative reform is underway to implement a new councillor complaints system and recommendations arising from a Crime and Corruption Commission investigation Operation Belcarra into the conduct of candidates during the 2016 local government elections. Together, these reforms are expected to lead to important improvements in the transparency and accountability of the Queensland local government sector.

## Report from the Western Australian Government

### The methodology used for distributing funding under the Financial Assistance Grant program to local government for 2016–17

#### *General purpose*

The Western Australian share of Commonwealth funding for 2016–17 was \$280,000,186 being 12.23 per cent of the national allocation of \$2.29 billion (after adjustments). WA's share consisted of \$172,445,721 for the general-purpose component and \$107,554,465 for the roads component.

The WA Local Government Grants Commission (the Commission) has continued to phase-in general purpose grant increases and apply a maximum drop to lessen the impact on local governments whose grants are declining. This resulted in a maximum decrease of 15.14 per cent for five local governments. Three local governments had decreases of between 1.38 per cent and 5.82 per cent. All other non-minimum grant local governments faced small decreases due to a reduction in the funding pool from 2015–16 to 2016–17. Road grants were calculated in accordance with the asset preservation model as in previous years.

In 2016–17, 31 local governments received the minimum grant entitlement which equated to \$19.97 per capita. This was a reduction from 2015–16 when local governments received \$20.26. The reduction is a result of the population of the State increasing whilst the total pool available for distribution to the States in Financial Assistance Grants is paused. Collectively, the local governments receiving the minimum grant accounted for \$39.24 million (22.7 per cent) of the total general-purpose funding pool while containing 75.8 per cent of the State's population.

#### *Indexation Pause*

In the May 2014 Budget, the Commonwealth Government announced that the indexation of Financial Assistant Grants would not be applied to the national Financial Assistant Grants pool for three financial years. The final year of the indexation pause is 2016–17.

Western Australia received a small decrease to its general-purpose grant pool in 2016–17 due to population growth being less than in other states. However, the road allocation increased marginally. The general-purpose pool is split on a per capita basis, so the faster growing states will receive an increasing share of this pool for the three years of indexation pause.

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

- Balanced Budget;
- Quarterly Grant Schedule;
- Schedule of Financial Assistance Grants;
- Principles and Methods of Distribution of Financial Assistance Grants; and
- Annual Report.

## Local road

The Western Australian Local Government Grants Commission recommends the distribution of the local road component using the asset preservation model, which has been in place since 1992.

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, as determined by the Western Australian Local Government Grants Commission's Asset Preservation Model. 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 Western Australia contributes an additional third of the cost of special projects funded under this program. The amounts involved for 2016-17 are provided in Table 29.

*Table 29 Allocations for special projects in Western Australia*

<b>Special projects component</b>	<b>Amount (\$)</b>
Roads servicing Aboriginal communities	2 509 604
Bridges	5 019 208
Distributed according to the asset preservation model	100 025 653
<b>Total</b>	<b>107 554 465</b>

## Special projects – roads servicing remote Indigenous communities

In 2016-17, the special projects funds for Indigenous access roads totalled \$3,764,406. Further information is provided in Table 30.

*Table 30 Western Australian special projects funds for Indigenous access roads*

<b>Special projects</b>	<b>Amount (\$)</b>
Special project funds from the Western Australian Local Government Grants Commission	2 509 604
State funds from Main Roads Western Australia	1 254 802
<b>Total</b>	<b>3 764 406</b>

The Indigenous Roads Committee advises the Commission on procedures and priorities for determining the allocations of Commonwealth road funds for roads servicing remote Indigenous 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 Aboriginal Affairs;
- Department of Local Government, Sport and Cultural Industries (DLGSC); and
- Department of the Prime Minister and Cabinet.

The Committee has established funding criteria based on factors including the number of Indigenous people serviced by a road, the distance of a community from a sealed road, the condition of the road, the proportion of traffic servicing Indigenous 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 Western Australian Local Government Grants Commission's policy for allocating funds for bridges recognises that there are many bridges in poor condition, and preservation of these bridges must be given a high priority.

The special project funds for bridges are only allocated to preservation type projects, which may include some upgrading, and replacement projects, when the existing bridge has reached the end of its economic life. Details on the 2016–17 special project funds for the preservation of bridges is provided in Table 31.

*Table 31 Western Australia 2016–17 special projects for bridges*

<b>Special projects – bridges</b>	<b>Amount (\$)</b>
Special project funds from Commission	5 019 208
State funds from Main Roads	2 509 604
<b>Total</b>	<b>7 528 812</b>

A Bridge Committee advises the Western Australian Local Government Grants Commission on priorities for allocating funds for bridges. Membership of the Committee is made up of representatives from the following organisations: Western Australian Local Government Grants Commission; Western Australian Local Government Association; and Main Roads Western Australia.

The Bridge Committee regularly receives recommendations from Main Roads Western Australia on funding priorities for bridges. Main Roads Western Australia 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 apply to the Western Australian Local Government Grants Commission for bridge funding each year.

The Bridge Committee's recommendations are submitted to the Western Australian Local Government Grants Commission for endorsement.

### *Methodology review*

The Western Australian Local Government Grants Commission completed a comprehensive review of its general purpose component methodology in 2012. This methodology has been applied to each grant determination in subsequent years.

### General purpose grants

The Western Australian Local Government Grants Commission continues to use the balanced budget method for allocating the general purpose component. The balanced budget approach to horizontal equalisation applies to all 137 local governments in Western Australia and is primarily based on the formula:

**assessed expenditure need – assessed revenue capacity = assessed equalisation requirement.**

Calculation of assessed revenue capacity is based on standardised mathematical formulae updated annually. It 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; and investment earnings.

Assessed expenditure need is also based on standardised mathematical formulae updated annually. It involves the assessing 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; and transport. Expenditure standards and the disabilities applied are provided in Table 32.

Table 32 Western Australian disabilities applied to expenditure standards

<i>Expenditure standard</i>	<i>Disabilities applied to expenditure standard</i>
Governance	Location, socio-economic disadvantage, Indigenous, regional centres
Law, order and public safety	Location, socio-economic disadvantage, population dispersion, terrain, 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	Not applicable

### 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, include: location; socio-economic disadvantage; growth; population dispersion; climate; Indigenous; regional centres; terrain; off-road drainage; medical; cyclone; and special needs.

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 Australia Bureau of Statistics. Data sources are provided in Table 33.

Table 33 Data sources used by Western Australia

<b>Data Type</b>	<b>Source</b>
Accessibility Remoteness Index of Australia (ARIA+)	National Centre for Social Applications of Geographical Information System
Socio-economic Indexes of Areas	Australian Bureau of Statistics, Catalogue: 2033.0.55.001
Population, population forecasts	Australian Bureau of Statistics, Catalogue: 3218.0 as at 3 April 2014, Western Australia Department of Planning – Tomorrow: Population Report Number 7 2006–26
Population dispersion	Australian Bureau of Statistics QuickStats for Townsite Populations
Regional centres	Determined by the Western Australian Local Government Grants Commission
Indigenous population	Australian Bureau of Statistics, Catalogue: 3238.0.55.001 Estimates of Aboriginal and Torres Strait Islander Australians, June 2011
Terrain	Western Australia 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 Western Australia
Interest expenditure/investment revenue	Western Australia Treasury Corporation, Western Australian Local Government Grants Commission Information Returns
Valuations, area assessments	Landgate (Valuer-General)
Residential, commercial and industrial rates, agricultural rates, pastoral rates, mining rates	Western Australian Local Government Grants Commission Information Returns
Climate	Bureau of Meteorology

## Changes to the methodology for distributing funding to local government under the Financial Assistance Grant program for 2016–17 from that used in 2015–16

Expenditure and revenue standards were calculated in the same way as 2015–16, but 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 2016–17, there were a number of refinements outlined below.

### *Medical cost adjustor*

The Commission expanded the definition of the medical cost adjustor and its expenditure collection to now also include:

- The expenditure data associated with “other doctor expenditure” collected from local governments; and
- Local government expenditure on nurse practitioners (as distinct from a regular nurse).

Previously, the Commission did not recognise any other medical expenditure apart from doctors and nurse practitioners.

### *Population dispersion*

The Commission continued its ongoing review of the population dispersion cost adjustor in 2016–17, removing Useless Loop, Marvel Loch, Dudinin and Pingaring for future years. The population dispersion cost adjustor recognises the costs to local government of having to provide services to multiple towns/population sites.

The Commission is continuing to undertake a full review of the population dispersion cost adjustor. This review is considering distance, population and lot size. As a result of the removal of some town sites, the total quantum of the population dispersion cost adjustor was reduced.

### *Terrain Cost Adjustor*

As the population dispersion adjustor total was reduced, an additional \$2 million was allocated to the terrain cost adjustor. This reflects the Commission's view that local governments required more recognition in this area.

### *Climate Cost Adjustor*

As the population dispersion cost adjustor total was reduced, an additional \$2 million was allocated to the terrain cost adjustor. This reflects the Commission's view that local governments required more recognition in this area.

### *Off-road Drainage*

The calculation of the off-road drainage cost adjustor was updated to also include storm water drainage.

### *Town of Narrogin equalisation adjustment*

The Town of Narrogin identified a mining assessment that had been incorrectly allocated to them in the balanced budget. The Commission made an amendment for the forthcoming year and applied a retrospective adjustment to the Town of Narrogin's equalisation.

### *Equalisation averaging*

The Commission has used the 'Olympic' method of averaging for the first time since the methodology review was completed as six years of equalisations are now available. This method takes the last six years equalisations, removes the highest and lowest figures and averages the remaining four equalisations.

### *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, 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.

Recognising the ongoing challenges for country local governments in balancing demands for a wider range of services, ageing infrastructure and revenue constraints, investments have continued across various capacity building initiatives. These initiatives are supported by the Royalties for Regions' Country Local Government Fund (CLGF) and made available to all non-metropolitan local governments.

The CLGF program seeks to assist country local governments to overcome these ongoing challenges by developing and implementing long term approaches, which integrate strategic planning, asset management, workforce and financial planning. Initiatives under the program in 2016–17 included:

- **Asset management:** Local governments are supported to assess their asset management maturity, develop an asset management improvement plan, assess and update the condition and useful life data of one critical asset class, and feed this data into Asset Management Plans and Long Term Financial Plans. 86 local governments were new or existing participants in this initiative in 2016–17.
- **Elected member training:** Through a partnership between the DLGSC and the Western Australian Local Government Association, training workshops are delivered across Western Australia to upskill elected members in areas including governance, decision making and long-term planning. 293 elected members from 76 local governments attended this training in 2016–17.
- **Better Practice Reviews:** Departmental officers work closely with local governments keen to review key areas of their activities and operations, including governance, strategic planning, planning and regulatory functions, asset and fiscal management, community, consultation and workforce planning. Five local governments completed Better Practice Reviews in 2016-17.

**Community Development initiative:** Training workshops and scholarships are made available to local governments to upskill staff in community development. Grants are also made available for local governments to conduct community development projects. In 2016–17, 12 local governments were awarded project grants, nine were awarded scholarships, and eight workshops were attended by 76 employees/elected members from 36 local governments.

- **Service Delivery Review training:** On behalf of the DLGSC, the University of Technology Sydney's Centre for Local Government held Service Delivery Review workshops across regional WA outlining a step-by-step process for country local governments to review and document the levels of service currently provided to their community, and work with the community to plan for the levels of service to be provided in the future. Eight workshops were held during 2016–17, attracting 189 participants<sup>1</sup> from 56 country local governments.
- **Youth Development initiative:** Leadership development workshops, scholarships and traineeships were made available to local governments to upskill their young employees, to address the high turnover and ageing workforce identified in country local governments through the workforce planning process. 61 scholarships were awarded (to 31 local governments), 22 traineeships were awarded (to 17 local governments), and eight workshops were attended by 143 young employees (from 40 local governments).

**Governance Reviews:** In partnership with the Australian Institute of Company Directors, the DLGSC invited local governments to participate in a comprehensive evaluation of their governance arrangements and performance, and development of an action plan to make improvements as required. 15 local governments participated in Governance Reviews in 2016-17.

## Actions to develop and implement comparative performance measures between local government 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 in April 2017 for the 2015–16 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 the Department of Local Government, Sport and Cultural Industries (DLGSC) and the Commission. Demographic data are sourced from the ABS and local governments. MyCouncil data are updated annually in the first quarter of the calendar year.

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 trend, and continues to provide valuable feedback to local governments which allows them to reassess and adjust their actions.

In 2016–17, the DLGSC continued to deliver local government capacity building initiatives.

The Royalties for Regions' CLGF, totalling \$1.52 million over four financial years, has delivered training to elected members in non-metropolitan local governments.

Funding of \$1.27 million through Royalties for Regions has been allocated over the period 2014–17 for the Better Practice Review (BPR) program. The BPR program involves a small team of officers from the DLGSC assigned to work closely with a local government to review key areas of that local government's activities and operations, including governance, integrated planning and reporting, planning and regulatory functions, asset and fiscal management, community, consultation, and workforce planning.

In February 2017, the DLGSC partnered with the Western Australian Local Government Association to deliver a further program of training to country-based elected members across WA to build their skills and improve governance and decision-making. Training delivered on site across the State to ensure that all country local government elected members had an opportunity to attend training in their own region.

The units being offered are 'building blocks' towards a Diploma in Local Government and will give country local government elected members a good foundation to pursue further training and professional development in any aspect of their role as an elected member.

In collaboration with the University of Technology Sydney's Centre for Local Government, Service Delivery Review workshops were conducted across the state. The two-day workshops outline a step-by-step process for country local governments to:

- review and document the levels of service currently provided to their community; and
- work with the community to plan for the levels of service to be provided in the future, including balancing community aspirations with resource constraints.

## Reforms undertaken during 2016–17 to improve the efficiency and effectiveness of local government services delivery

In 2016–17, the Western Australian Department of Local Government continued to deliver local government capacity building initiatives.

The Royalties for Regions' Country Local Government Fund, totalling \$1.52 million over four financial years, has delivered training to elected members in non-metropolitan local governments.

Funding of \$1.27 million through Royalties for Regions has been allocated over 2014–17 for the Better Practice Review program. The Better Practice Review program involves a small team of officers from the department assigned to work closely with a local government to review key areas of that local government's activities and operations. These include governance, integrated planning and reporting, planning and regulatory functions, asset and financial management, community, consultation, and workforce planning.

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

Local government plays an essential 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 share features that impact on service delivery to communities—small populations, remote locations over large areas, harsh environments, low proportion of rates to total income, high needs and limited local economies. There is no one size fits all approach. This can also be understood in terms of the community/human services design and delivery. There are unique needs across different regions.

The Western Australian Government is continuing to deliver a major reform program, The Regional Services Reform Unit (RSRU) leads the regional integration and re-design of Commonwealth, state and local services, including the coordination the Essential and Municipal Services Upgrade Program (EMSUP).

The RSRU recently completed an extensive consultation of over 90 per cent of Western Australia's remote Aboriginal population. The consultation findings noted the need for better co-design and coordination of government services, improved access to key services and greater employment and economic opportunities.

With support from Aboriginal people, the state government has formed leadership groups across the state (Kimberley, Pilbara and Goldfields) to work with local governments and service providers on the ground to improve service delivery.

This approach will create opportunities to strengthen communities and benefit children and families through better services and investment locally. DLGSC chairs the Municipal Services Officers Working Group which supports the Essential and Municipal Services (EMSUP) Steering Committee to provide advice and direction to Government on initiatives to improve the delivery of municipal services to remote Aboriginal communities in Western Australia.

Local governments continue to be involved in providing high-level strategic advice on, and identifying opportunities for, changes that could be made to government expenditure, policies, programs and governance to improve outcomes for Aboriginal people in its region.

Biennial ordinary local government elections were conducted on 17 October 2017. Prior to the elections, the DLGSC in conjunction with the Western Australian Electoral Commission ran a campaign designed to increase voter turnout and increase the diversity of local government representatives including Aboriginal people.

## Any local government reform activities including deregulation and legislative changes

The *Graffiti Vandalism Act 2016* came into effect on 7 October 2016, enabling police, public transit officers and the local government sector to more easily deal with graffiti offences. The relevant powers of those agencies were transferred from various Acts into a single piece of legislation.

The first tranche of amendments in the *Local Government Legislation Amendment Act 2016* came into effect on 11 November 2016, shortly after passing both Houses of Parliament. Amendments focused on reducing red tape, improving flexibility and empowering local governments to work collaboratively in-service delivery.

The following provisions took effect on 11 November:

- Amendments to streamline the Local Government Standards Panel's complaints process by allowing the panel to dismiss frivolous, trivial, misconceived or vexatious complaints. It also allowed complainants to withdraw complaints made to the panel. These reforms were designed to allow the Panel to deal with more serious complaints in a timelier manner.
- The electoral offence relating to defamatory statements during elections was deleted from the *Local Government Act 1995* as complaints are more appropriately dealt with under the *Defamation Act 2005*.
- The local law making process under section 3.12 of the Act was simplified to remove the automatic invalidation of local laws where the legislated process had not been stringently followed. This means that as long as the section 3.12 process has been 'substantially' complied with, local laws will not be found invalid for minor errors in that process.
- Amendments clarified that a local government can only pay an annual allowance to eligible council members where a council member is reasonably likely to have incurred the relevant expenses.
- Further clarity was also provided to ensure that the Salaries and Allowances Tribunal can make determinations regarding proportional payments of allowances or fees where an elected member does not hold office for a full year.
- Consistency in provisions which limit the termination payments of local government officers and Chief Executive Officers (CEOs) to a maximum of one year's remuneration was provided.
- To ensure clear separation of powers, amendments clarified that an infringement notice may be issued by an authorised officer, but the CEO of the local government is to receive payment, withdraw the notice or extend time for payment and not an 'authorised person'.

The remaining amendments related to the introduction of the regional subsidiary and came into effect on 17 January 2017 following gazettal of the regulations. This model allows two or more local governments to form a body to jointly provide a service or carry out an activity. Regional subsidiaries are a semi-independent collaborative mechanism with flexible financial reporting and reduced regulatory compliance.

A discussion paper seeking feedback on the regional subsidiary proposal was circulated to all local governments for comment in September 2016. Those comments were analysed and informed the development of regulations. The regulations provide the legislative framework under which regional subsidiaries may be established.

On 13 May 2017 the restriction on local government investments to a single year was lifted with local governments now able to invest in term deposits for a period of up to three years. The amendment to the Local Government (Financial Management) Regulations 1995 allows local governments to hold money in reserve for works and services planned more than one year into the future and also allows local governments to optimise their investment returns in fixed term deposits until the funds are required.

The first legislative priority of the state government following the March 2017 election was to introduce the Local Government (Auditing) Bill 2017. The Act was passed in August 2017 giving responsibility for local government auditing to the Auditor General. The new laws raise the standards of accountability for local governments to a level more consistent with public sector departments and agencies and provide increased community confidence in the sector.

The amendments enable the Auditor General to audit council finances and performance and ensure that Western Australians benefit from local governments that are accountable, transparent and responsible. A new category of audits—performance audits—examine the economy, efficiency and effectiveness of programs and organisations, including compliance with legislative provisions and internal policies, was also introduced under the new legislation.

The legislation followed Corruption and Crime Commission investigations into a number of local governments for allegations of serious misconduct and corruption. It also responded to recommendations made by the Western Australian Parliament's Public Accounts Committee.

Under the legislation, local governments are required to publish their annual reports including audit reports on their websites, improving access to the financial position of individual councils for ratepayers.

Other key commitments of the state government were to undertake a major review of the *Local Government Act 1995* and to introduce legislation to stop puppy farming in Western Australia. Work commenced on these projects in the 2016–17 financial year.

## Report from the Western Australian Local Government Association

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

#### *Support for Local Government Budget Preparation*

Local governments face an ongoing task to deliver on the community's growing demands for services, which can be particularly difficult in an environment where revenue is constrained. To assist local governments in their budget preparation and planning activities, the Western Australia Local Government Association provided all elected members with a guide to improving financial sustainability for the sector. The guide covers key financial management topics including use of financial indicators, the role of debt and strategies for long term financial planning and is intended to assist councils to make informed budget decisions and to build and maintain financial sustainability.

#### *Support for Local Government Financial Management control*

In June 2017 the Western Australian Government introduced legislation to provide the Western Australian Office of the Auditor General with responsibility for undertaking financial audits for local governments in Western Australia.

Previously, it had been the responsibility of each individual local government to contract an independent private auditing firm to carry out their financial audits. This process had contributed to a variance in the scope of audits across the sector which was seen as undesirable.

With the Auditor General taking over responsibility for the financial audit, the scope of the audit will be standardised and should lead to improved financial controls for the local governments.

In addition the Auditor General will also have the responsibility for carrying out performance audits on the local government sector. This is where a sector activity can be identified and a performance audit on a sample of local governments carried out. An example of a performance audit area would be procurement.

Again the performance audits of local governments should have a positive effect for the sector.

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

#### *Annual Assets and Expenditure Report*

A Report on Local Government Road Assets and Expenditure is produced annually by the Western Australia Local Government Association with assistance from the Western Australia Local Government Grants Commission. The report provides information on the lengths and types of roads, paths and bridges and highlights trends in the data over the preceding five years. It includes statistics and trends on the funding sources and amount of local government expenditure on roads, paths and bridges. Details are provided on the allocation of expenditure between expansion, upgrade, maintenance and renewal of the network at a regional level and for individual local governments.

The expenditure statistics are analysed to provide comparisons of road preservation performance, net preservation needs and expenditure effort. These comparisons provide insight into the adequacy of funding and the difference between road preservation needs and current expenditure on road preservation.

### *Local Government Performance Monitoring Project – Planning and Building*

The 2016–17 Local Government Performance Monitoring Project was proactively initiated by 11 local governments in response to the concerns over a 2016 Property Council report, which did not accurately represent all of the planning and building functions a local government undertakes.

The 11 local Governments encompass 54 per cent of the total population of the Greater Perth region and accounted for 70 per cent of Perth’s growth between 2011 and 2016, providing an excellent picture of how the sector is achieving its Strategic and Statutory Planning functions and achieving the statutory timeframes of the Planning and Building Approvals processes. The report provides a collated view of the 11 local governments involved as it is about the performance of the sector as a whole and not about an individual council’s performance. An individual report for each local government has also been provided to participants, showing where the local government sits within the benchmarked group of councils, but not ranking them against each other.

In future years, the local governments will also be able to show their performance against their own previous year’s performance to enable continued improvement and a true monitoring of their own performance. The 2017–18 version of the Local Government Performance Monitoring Project will involve 17 local governments (as at 27 April), with several other local governments currently considering their involvement in this year’s project.

## Reforms undertaken during 2016–17 to improve the efficiency and effectiveness of local government service delivery

### *Sustainable Procurement*

Sustainable Procurement incorporates environmental, community participation and benefits (Aboriginal, disability and social enterprise, and economic - buy local), ethical leadership and supply chain practice, and workplace practices. The Western Australia Local Government Association has progressed the work on Sustainable Procurement including developing a range of tools and resources for Members which would assist them adopt sustainable procurement practices.

In addition, the Western Australia Local Government Association re-emphasised to the local government sector the ability of local government to access both disabled and indigenous enterprises as a result of changes to the Local Government Regulations.

### *Procurement Improvement and Capacity Building Initiatives*

In support of our Members’ desire to improve their own procurement and contract management capability and capacity, we have continued our focus to provide customised capacity building workshops and generic training as well as procurement reviews to the sector.

Capacity building of the sector for its procurement activities and procurement reviews are an ongoing and considerable undertaking by the Western Australia Local Government Association to improve procurement standards and practices across the sector. Procurement reviews deliver a series of findings and recommendations (through an Implementation Roadmap) to help the local government optimise its compliance and value outcomes from its procurement practices.

Throughout the past year, a number of our Members availed themselves of this service both within the metropolitan and regional areas. This will show positive outcomes over time as the sector enhances its capability to undertake its own procurement processes and better manage its contracts. This will continue to be a strong focus for the Western Australia Local Government Association.

### *Tender and Contract Management Services*

The Western Australia Local Government Association facilitated the delivery of 34 tender processes on behalf of our Members. These have been predominantly in the areas of civil construction, infrastructure (roads), and trades panels. Strongest use of this service has been by local governments in regional areas comprising 85 per cent of the total number of processes. Given the increasing scrutiny that local governments are being exposed to from independent government authorities, the use of this service has provided local governments with the comfort that their procurement processes are being undertaken in a manner that is compliant with the requirements under the Local Government (Functions and General) Regulations 1996.

### *Local Government Decision Making in Practice Toolkit*

In 2016–17 the Western Australia Local Government Association launched the first 2 parts of a 6 part new product provided through the Western Australia Local Government Association governance service to the local government sector.

The area of delegations and the best use of delegations in a local government's decision making framework had been identified by the Western Australia Local Government Association as an area that required support and assistance to the sector.

The Local Government Decision Making in Practice Toolkit includes:

- Part 1 – Introduction to Local Government Decision Making
- Part 2 – Delegations
- Part 3 – Authorisations (Scheduled for 2017/18)
- Part 4 – Acting Through (Scheduled for 2017/18)
- Part 5 – Policy (Scheduled for 2018/19)
- Part 6 – Procedures (Scheduled for 2018/19)

The Part 2 Delegations includes a practical guideline to assist Local Governments in making and using statutory delegations.

Part 2 also includes a Template Delegation Register that presents the most frequently used delegations arising from:

- *Local Government Act 1995*
- *Building Act 2011*
- *Bush Fires Act 1954*
- *Cat Act 2011*
- *Dog Act 1976*
- *Food Act 2008*

The delegation toolkit will be a valuable resource for the sector to assist the decision making process.

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

### *Review Aboriginal Heritage Act 1972*

The *Aboriginal Heritage Act 1972* was enacted to ensure that Aboriginal heritage, sites and objects to which the Act applied, could be appropriately protected and preserved. Provisions within the *Aboriginal Heritage Act 1972* impact local governments in a number of ways including:

- As a landowner, local governments are required to consult with Aboriginal communities and conduct heritage surveys when proposing development, and
- As a planning body, local governments are contacted by developers and owners for advice regarding the position of heritage sites.

It is vital that local governments make the most of the opportunity to review the *Aboriginal Heritage Act 1972* and have a voice on important areas of impact. Building strong, collaborative and respectful relationships with Aboriginal people that can sustain sensitive conversations into the future will be fundamental. Land use makes a significant contribution to the economic, social and environmental wellbeing of communities in Western Australia. It is therefore also of high importance that local governments have their views considered in administration of Section 17 and in particular Section 18 applications.

It is anticipated a Green Bill will be tabled in the Western Australian parliament by the end of 2019.

### *Establishment of Municipal Services Officers Working Group*

The Western Australian Department of Local Government, Sport and Cultural Industries have established a Municipal Services Officers Working Group to:

- Develop a Directions Paper for the consideration of Government on proposed reforms to the delivery of municipal services to remote Aboriginal communities;
- Develop a clear definition of the type and the standard of municipal services that is expected to be provided to remote Aboriginal communities;
- Develop a strategy for engaging with affected local governments, Aboriginal community stakeholders and other stakeholders on proposed reforms;

- Develop an implementation strategy that outlines short, medium and long term priorities and related responsibilities for the reform process;
- Liaise with key stakeholders to facilitate coordination of and collaboration between related programs and initiatives; and
- Provide advice on matters relevant to the delivery of municipal services to remote Aboriginal communities as required.

The group membership consists of, but is not limited to:

- Department of Local Government, Sport and Cultural Industries (Chair);
- Department of Communities (secretariat and policy support);
- Department of Health;
- Department of Planning, Lands and Heritage;
- Department of Water and Environment Regulation;
- WA Local Government Association;
- Main Roads WA; and
- Local Government representatives.

Further, the Western Australian Government established the Regional Services Reform Unit in May 2015 to drive long-term and systemic change aimed at improving the lives of Aboriginal people living in regional and remote Western Australia.

As part of this process, the Western Australian Government has committed to progressively improve basic services in remote Aboriginal communities to appropriate standards. This commitment is being implemented through the Essential and Municipal Services Upgrade Program. An initial investment of \$52 million has been approved by the State to facilitate this process. The initial focus of Essential and Municipal Services Upgrade Program is on the following 10 communities:

- Kimberley: Ardyaloon, Bayulu, Beagle Bay, Bidyadanga, Djarindjin, Lombadina, Mowanjum and Warmun; and
- Pilbara: Wakathuni and Yandeyarra

In May 2017 local governments were informed of a project being undertaken to develop Guidelines for Municipal Services appropriate for remote Aboriginal communities throughout the State and sought their input. A number of local governments took the opportunity to provide information and comments to assist in that process.

The Guidelines:

- Seek to ensure that the laws and regulations that are in place for the protection of the residents of mainstream communities apply equitably to remote communities;
- Acknowledge that there may be legislative impediments to the enforcement of some regulatory standards in some communities;
- Recognise that the level and frequency of services is impacted by the practicalities of available resources, local capacity, community access and community size;
- Do not assume any particular service delivery model and do not pre-empt future service or funding responsibilities;

- Recognise that improving service levels and compliance with regulatory requirements will require increased resources and an investment in enabling infrastructure and service capacities; and
- Promote compliance with local government policies and Local Laws.

The final draft Guidelines have now been completed.

The Western Australian Local Government Association is working with the Western Australian Government and with local governments to assist in achieving the aims of the regional services reform agenda – including improving the current standards of municipal services to remote communities. The development of the Guidelines is seen as a useful starting point for discussion.

### *Local Government Specific Noongar Standard Heritage Agreement*

The Western Australian Local Government Association has been liaising with the South West Settlement Implementation Unit and the South West Aboriginal Land and Sea Council to gain a clearer understanding of local governments role in the South West Native Title Settlement.

The Association acknowledges that the South West Native Title Settlement (the Settlement) is the largest and most comprehensive agreement to settle Aboriginal interests over land in Australia.

There are several elements to the Settlement that have potential touchpoints with local government and the Western Australian Local Government Association regularly fields enquiries from local governments regarding their obligations and / or seeking clarification on areas of confusion. Currently most enquiries are forwarded to the South West Settlement Implementation Unit as the subject matter experts.

At the August 2017 Local Government Convention, the Department of Planning, Lands and Heritage and South West Aboriginal Land and Sea Council staff presented on local government obligations under the *Aboriginal Heritage Act 1972*.

One area discussed was that of Noongar Standard Heritage Agreements.

Although local government is not bound to use the Noongar Standard Heritage Agreements, key elements of the Noongar Standard Heritage Agreements were presented as guidance for minimising risk to Aboriginal heritage. With 103 of the 139 Western Australian Local Governments falling within the Settlement Indigenous Land Use Agreement areas, the majority of local governments will potentially have a direct interest in this process.

Based on the information provided to local governments at the 2017 Convention and discussions held with South West Aboriginal Land and Sea Council and the South West Settlement Implementation Unit it became apparent that the templates utilised by Western Australian Local Governments falling within the Settlement Indigenous Land Use Agreement areas, the majority of Local Governments Government Departments and certain Government agencies and instrumentalities entering into a NSHA would require refinement to meet the obligations of Local Government i.e. a Local Government specific Noongar Heritage Agreement to align with Local Government regulations and policies.

The Association is in the process of developing a Local Government Specific Noongar Standard Heritage Agreement for use by Local Governments.

## Other local government reform activities

### *Regional subsidiaries*

The Local Government sector in Western Australia had been advocating for many years, for Local Governments to have the ability to establish Regional Subsidiaries.

Under the Regional Subsidiary model, two or more Local Governments are able to establish a regional subsidiary to undertake a shared service function on behalf of its constituent Local Governments. The model provides increased flexibility when compared to the Regional Local Government Council model because regional subsidiaries are primarily governed and regulated by a charter rather than legislation. While the regional subsidiary model's governance structure is primarily representative, the model also allows independent and commercially focussed directors to be appointed to the board of management.

The Western Australian State Government introduced legislation in 2016 and regulations in early 2017.

The legislation provides Local Governments with the ability to establish regional subsidiaries, however regulations have made the model too restrictive and compliance driven to achieve what was requested. The Local Government sector in Western Australia is advocating for the regulations to be simplified to make the model efficient and functional, in line with that which applies in South Australia.

### *Council Controlled Organisations*

Since 2010 the Western Australian Local Government Association has had a policy position for the concept of establishing subsidiary corporate structures (Council Controlled Organisations or Local Government Enterprises) as vehicles for greater efficiency and improved partnering practices for local government involvement in a range of commercial activities that are distinct from the commonly understood "core functions" of local government. Examples of such activities include affordable housing projects, urban regeneration, measures to address economic decline in regional centres, public-private partnerships to develop local government assets and measures to enhance the income-generating asset base of local governments.

Under such an arrangement, Councils would be able to establish arms-length entities to deliver projects and services currently outside the scope of the sector but needed by the community. This aim is not to compete with the private sector, but to utilise better commercial structures in circumstances that aren't attractive to the private sector, or aren't available to private providers.

Local governments in Western Australia are involved in a range of commercial activities while being constrained from conducting those activities in a commercially efficient manner. Common examples of such activities include airports, waste management facilities, aged care and land development. In some smaller communities, local government has had to become involved in providing basic retail services where no equivalent private business exists. It is also arguable that some of the so-called "core" functions of local government (such as road construction) are also "commercial" to the extent that these functions could equally well be provided by private contractors. However, current legislation prevents local governments from conducting these operations with the level of commercial efficiency that exists for private enterprise.

In effect a Council Controlled Organisation model would enable Councils to establish organisations that operate at arm's length to the Local Government but in a commercial environment with the support of the community. The introduction of Council controlled organisations into WA would help further modernise Local Government operations. Ultimately improving the capacity of Local Government in WA to deliver on its social obligations is both a benefit and opportunity for the community with the potential to relieve pressure on rates.

The Western Australian Local Government Association on behalf of the Local Government sector will continue to advocate for the establishment of Council Controlled Organisations in the Western Australia Local Government Act review process.

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

The methodology used for distributing funding under the Financial Assistance Grant program to local government for 2016-17

### General purpose grant

The methodology used to assess the general purpose component of funding under the *Local Government (Financial Assistance) Act 1995* (Cwth) is intended to achieve an allocation of grants to local governing bodies in South Australia consistent with the National Principles. The over-riding principle is one of horizontal fiscal equalisation, which is constrained by a requirement that each local governing body must receive a minimum entitlement per head of population as prescribed in the *Local Government (Financial Assistance) Act 1995* (Cwth).

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 =  $\frac{\text{expenditure or income}}{U}$

*RRl* = revenue relativity index. *CRI* = cost relativity index (also known as a disability factor). They are centred around 1.00, i.e. *RRl*s or *CRI*s equals 1.00. If more than one cost relativity index exists for any function then they are multiplied together to give an overall cost relativity index for that function.

In the revenue calculations for both residential and rural assessments, the South Australian Local Government Grants Commission has calculated a revenue relativity index based on the Socio-Economic Indexes for Areas Index of Economic Resources (from the Australian Bureau of Statistics). Where no revenue relativity index exists the *RRlc* = 1.0. Currently, in all expenditure calculations with the exception of roads and stormwater, there are no disability factors applied and consequently, *CRIc* = 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, (19.92 for 2016–17), 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. The South Australian Local Government Grants Commission determined limits are then applied to minimise the impact on council's budgetary processes.

In the calculation of the 2016–17 grants, the South Australian Local Government Grants Commission constrained changes to council's grants to between –1 and 0.5 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.

The constraints applied by the South Australian Local Government Grants Commission for the 2016–17 general purpose component reflect the paused indexation announced as part of the 2014–15 Federal Budget. South Australia received a decrease of \$0.66 million for 2016–17 due to a reducing share of the national population.

### Component revenue grants

Component revenue grants compensate or penalise councils according to whether their capacity to raise revenue from rates is less than or greater than the State average. Councils with below average capacity to raise revenue receive positive component revenue grants and councils with above average capacity receive negative component revenue grants.

The South Australian Local Government Grants Commission estimates each council's component revenue grant by applying the South Australian average rate in the dollar to the difference between the council's improved capital values per capita multiplied by the *RRlc* and those for South Australia as a whole, and multiplying this back by the council's population.

South Australia's 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 South Australia as a whole if it applied the South Australian average rate in the dollar to the capital values of its rateable properties.

This calculation is repeated for each of five land use categories: residential; commercial; industrial; rural; and other.

Valuations, rate revenue and population are averaged over three years to overcome fluctuations in the base data. Revenue relativity indices (*RRlc*) 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 South Australian Local Government Grants 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 South Australian average. This enables consistent and like-with-like comparisons.

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 South Australia'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 South Australia as a whole (standard cost). This in turn is multiplied back by the council's population to give the component expenditure grant for the function. 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 South Australian average—to reconstruct or maintain a kilometre of road in this example. 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 the relative cost 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. Table 34 details the approach taken to expenditure functions included in the methodology.

Table 34 South Australia's expenditure functions included in the methodology

<b>Expenditure function</b>	<b>Standard cost</b>	<b>Units of measure</b>
Waste management	Reported expenditures <sup>1</sup>	Number of residential properties, rural and commercial (shop) properties
Aged care services	Reported expenditures <sup>1</sup>	Population aged 65+ per Australian Bureau of Statistics Census and estimated resident population
Services to families and children	Reported expenditures <sup>1</sup>	Population aged 0-14 years per Australian Bureau of Statistics Census and estimated resident population
Health inspection	Reported expenditures <sup>1</sup>	Establishments to inspect
Libraries	Reported expenditures <sup>1</sup>	Estimated Resident Population
Sport and recreation	Reported expenditures <sup>1</sup>	Population aged 5–64 years as per Australian Bureau of Statistics census and estimated resident population
Sealed roads – built-up <sup>5</sup>	Reported expenditures <sup>1</sup>	Kilometres of built-up sealed road as reported in General Information Return
Sealed roads – non-built-up <sup>5</sup>	Reported expenditures <sup>1</sup>	Kilometres of non-built-up sealed road as reported in General Information Return
Sealed roads – footpaths	Reported expenditures <sup>1</sup>	Kilometres of built-up sealed road as reported in General Information Return
Unsealed roads – built-up <sup>5</sup>	Reported expenditures <sup>1</sup>	Kilometres of built-up unsealed road as reported in General Information Return
Unsealed roads – non-built-up <sup>5</sup>	Reported expenditures <sup>1</sup>	Kilometres of non-built-up unsealed road as reported in General Information Return
Unformed roads <sup>5</sup>	Reported expenditures <sup>1</sup>	Kilometres of unformed road as reported in General Information Return
Stormwater drainage maintenance <sup>2,3</sup>	Reported expenditures <sup>1</sup>	Number of urban properties <sup>4</sup>
Community support	Reported expenditures <sup>1</sup>	Three year average population modified by the Socio-Economic Indexes for Areas Advantage/Disadvantage cost relativity index
Jetties and wharves	Reported expenditures <sup>1</sup>	Number of jetties and wharves
Public order and safety	Reported expenditures <sup>1</sup>	Total number of properties
Planning and building control	Reported expenditures <sup>1</sup>	Number of new developments and additions
Bridges	Reported expenditures <sup>1</sup>	Number of bridges
Other needs assessments	Set at 1.00	Based on South Australian Local Government Grants Commission determined relative expenditure needs in a number of areas <sup>6</sup>

<sup>1</sup> Council's net expenditure reported in the South Australian Local Government Grants Commission' Supplementary returns.

<sup>2</sup> Includes both construction and maintenance activities.

<sup>3</sup> The South Australian Local Government Grants Commission has also decided, for these functions, to use CRIs based on the results of a previous consultancy by BC Tonkin and Associates.

<sup>4</sup> Urban properties = sum [residential properties, commercial properties, industrial properties, exempt residential properties, exempt commercial properties, exempt industrial properties].

<sup>5</sup> The South Australian Local Government Grants Commission has for these functions, used CRIs 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.

<sup>6</sup> Comprises South Australian Local Government Grants Commission determined relative expenditure needs with respect to the following:

- non-resident use/tourism/regional centre – assessed to be high, medium or low
- duplication of facilities – identified by the number of urban centres and localities (as determined by the Australian Bureau of Statistics)

- isolation – measured as distance from the GPO to the main service centre for the council (as published in the South Australian Local Government Directory; Local Government Association of South Australia)
- 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 peoples
- unemployment – identified by the proportion of the population unemployed
- capital city status – gives recognition to such things as the ability of the council to raise revenue from sources other than rates (i.e. car parking and the Wingfield dump), and their extraordinary expenditure need (i.e. due to the requirement that they maintain the entire road network within the city), and due to the daily influx of non-resident population
- environment and coastal protection – assessed to be high, medium or low
- The provision of cultural and tourist facilities – assessed to be high, medium or low.

Note: The final factor Other Needs Assessment (also known as Function 50) originates from awareness by the South Australian Local Government Grants 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. Therefore, in determining units of measure and cost relativity indices, the South Australian Local Government Grants Commission must exercise its judgement based on experience, the evidence submitted to the South Australian Local Government Grants Commission, and the knowledge gained by the South Australian Local Government Grants Commission during visits to council areas and as a result of discussions with elected members and staff.

Table 35 South Australia's calculated standards by function

Total population = 1,698,660

<i>Function</i>	<i>Standard (\$)</i>	<i>Unit of measure per capita</i>	<i>Total units of measure</i>	<i>Unit of measure</i>
<b>Expenditure functions</b>				
Waste management	179.21	0.45692	766 637	Number of residential, rural and commercial (shop) properties
Aged care services	175.30	0.17104	286 974	Population aged more than 65
Services to families and children	72.44	0.17672	295 836	Population aged 0 to 14
Health inspection	352.64	0.01204	20 207	Establishments to inspect
Libraries	60.57	1.00812	1 691 443	Estimated resident population
Sport and recreation	257.57	0.76916	1 290 509	Population aged 5 to 49
Sealed roads – built-up	11 902.82	0.00638	10 706	Kilometres of sealed built-up
Sealed roads – non-built-up	11 902.82	0.00455	7 639	Kilometres of sealed non-built-up
Sealed roads – footpaths	17 008.21	0.00638	10 706	Kilometres of sealed built-up
Unsealed roads – built-up	1 750.99	0.00043	714	Kilometres of formed and surfaced, and natural surface-formed built-up road
Unsealed roads – non-built-up	1 750.99	0.02816	47 249	Kilometres of formed and surfaced, and natural surface-formed non-built-up road
Roads – unformed	128.56	0.00512	8 591	Kilometres of natural surfaced unformed road
Stormwater drainage - maintenance	84.87	0.44815	751 912	Number of urban, industrial and commercial properties including exempt
Community support	50.48	0.99996	1 677 749	Three year average population modified by the Socio-Economic Indexes for Areas Advantage Disadvantage Cost Relativity Index
Jetties and wharves	18 661.56	0.00005	79	Number of jetties and wharves
Public order and safety	27.91	0.55617	933 149	Total number of properties
Planning and building control	1 793.62	0.02629	44 116	Number of new developments and additions
Bridges	8 769.77	0.00050	839	Number of bridges
Environment and Coastal Protection	21.89	1.00812	1 691 443	
Other special needs	1.00	19.29232	32 369 000	Total of dollars attributed
<b>Revenue functions</b>				
Rates – residential	0.0036	150 632	252 436 205 275	Valuation of residential
– commercial	0.0065	20 153	33 813 030 164	Valuation of commercial
– industrial	0.0078	3 243	5 441 713 210	Valuation of industrial
– rural	0.0033	20 491	33 882 846 412	Valuation of rural
– other	0.0041	7 684	12 891 566 871	Valuation of other
Subsidies	1.00	26.25244	44 046 825	The total of the subsidies

### *Calculated standards by function*

The South Australian Local Government Grants Commission uses Table 35 to enable it to calculate a council's raw grant for each of the given functions. To do this the South Australian Local Government Grants Commission calculates each individual council's unit of measure per capita, compares it with the similar figure from the table and then multiplies the difference by the standard from the table and its own population. If CRIs are applicable, then they must be included as a multiplier against the council's unit of measure per capita.

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

### *Aggregated revenue and expenditure grants*

Component grants for all revenue categories and expenditure functions, calculated for each council using the method outlined above, are aggregated to give each council's total raw grant figure.

Where the raw grant calculation per head of population for a council is less than the per capita minimum established as set out in the Act (\$19.92 for 2016-17), the grant is adjusted to bring it up to the per capita minimum entitlement. The balance of the allocated amount, less 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 grant.

The South Australian Local Government Grants Commission determined limits may then be applied to minimise the impact on council's budgetary processes. In the calculation of the 2016-17 grants, the South Australian Local Government Grants Commission constrained changes to councils grants to between -1 and positive 0.5 per cent. An iterative process is then undertaken until the full allocation is determined.

### *Identified local road grant*

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.

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 is based on recommendations from the South Australian Local Government Transport Advisory Panel. This panel is responsible for assessing submissions from regional associations on local road projects of regional significance.

### *Outback Communities Authority*

The Outback Communities Authority was established in July 2010 under legislation of the South Australian Parliament and is prescribed as a local governing body for the purposes of the South Australian Local Government Grants Commission's recommendations for funding distribution under the *Local Government (Financial Assistance) 1995* (Cwth).

The Outback Communities Authority has broad responsibility for management and local governance of the unincorporated areas of South Australia. The Outback Communities Authority has a particular emphasis on helping provide local government-type services that are normally undertaken by local councils elsewhere in South Australia.

Due to the lack of comparable data, the South Australian Local Government Grants Commission is not able to calculate the grant to the Outback Communities Authority in the same manner as grants to other local governing bodies. Rather, a per capita grant has been established. The 2016–17 per capita grant was \$383.54.

General purpose grant funding to the Outback Communities Authority were held to zero change for 2016–17 in recognition of the pause on indexation to funding under the *Local Government (Financial Assistance) 1995* (Cwth).

### Aboriginal communities

Since 1994–95, the South Australian Local Government 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* (Cwth). 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 data unavailability, grants for these communities are not calculated in the same manner as grants to other local governing bodies. Initially, the South Australian Local Government Grants Commission used the services 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 component of funding for South Australia since the initial study. For the 2016–17 financial year, the per capita grant varied from \$194.64 for the Gerard Community Council to \$1236.35 for the Maralinga Tjarutja Community.

### Changes to the methodology for distributing funding to local government under the Financial Assistance Grant program for 2016–17 from that used in 2015–16

During 2016-17 the South Australian Local Government Grants Commission undertook further work on recommendations made by KPMG, reviewing its “Other Needs Assessment” (otherwise known as Function 50). The KPMG Review recommended that the Function 50 assessment be phased out and that elements of this assessment be incorporated into other parts of the assessment process.

Function 50 expenditure assessment is designed to assess need for expenditure on a range of council services which are difficult to measure (i.e., data is not readily available) and include services such as non-resident use of council facilities, isolation, unemployment, coastal protection, environmental services and cultural and tourism services.

As recommended in the Review, the South Australian Local Government Grants Commission undertook a detailed review of elements of Function 50 and made a number of changes for the 2016-17 recommendations, including:

- The removal of the allowance for Capital City Status for the City of Adelaide. The South Australian Local Government Grants Commission felt that this allowance was no longer required and that additional expenditure incurred by the City of Adelaide to cater for tourism and the daytime use of the City by non-residents is being reflected in Councils Audited Financial Statements;
- The allowances for Environment and Coastal Protection. The South Australian Local Government Grants Commission removed the allowances for these activities from Function 50 and incorporated net council expenditure for these activities into a new expenditure assessment based on population. A new Function 43 – Environment and Coastal Protection was created for 2016-17;
- The Cultural and Tourism allowance. The South Australian Local Government Grants Commission removed this allowance from Function 50 and incorporated net council expenditure for this activity into its existing assessment of Function 18 - Sport and Recreation. The updated expenditure Assessment is known as Function 18 - Sport, Recreation and Culture;
- Allowance for Duplicated Facilities. The South Australian Local Government Grants Commission removed this allowance from Function 50 as this allowance was originally included to cater for the newly amalgamated councils from the late 1990's, which have now had the opportunity to consolidate their operations; and
- Allowance for Isolation. This allowance was increased by a multiple of 4 to provide increased recognition of the higher expenditure needs of remote councils.

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

Each one of South Australia's 68 local governments is required—by 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, each covering a period of at least 10 years.

The Local Government Association of South Australia continued to provide advice and assistance to the sector in 2016–17 through its ongoing Financial Sustainability Program.

As part of the Financial Sustainability Program, a program of “hands-on expert assistance” in asset and infrastructure management and long-term financial management was offered to councils (predominantly small country councils) that (by 2014) had not yet adopted settings of financial sustainability. When the program concluded at 30 June 2017, 16 of 18 such offers had been accepted. The councils that received the subsidy after completing their asset management plans and long-term financial plans were:

- Mt Remarkable
- Tumbly Bay
- Kingston
- Elliston
- Southern Mallee
- Streaky Bay
- Barunga West
- Karoonda East Murray
- Lower Eyre Peninsula
- Robe
- Peterborough
- Kimba
- Wudinna
- Cleve
- Orroroo Carrieton
- Northern Areas

Each one of these councils was reimbursed for 50 per cent of the cost (to a maximum of \$4,000 each) for preparing and aligning up-to-date long-term financial plans with their infrastructure and asset management plans.

In 2016-17 the Local Government Association of South Australia also subsidised the production of a new Asset Management template suitable for any size council, including small regional councils. The template was produced by the Institute of Public Works Engineers Australia (IPWEA) and made available to councils through the LGA's Local Government Research and Development Scheme.

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

Comparisons between councils on a wide range of data are now facilitated by the South Australian Local Government Grants Commission's annual publication of annual database reports dating back to 1995–95. These reports are available at [www.dpti.sa.gov.au/local\\_govt/LGGC](http://www.dpti.sa.gov.au/local_govt/LGGC).

#### *Financial indicators*

Each year, the Local Government Association of South Australia assembles an update report providing the latest values, history and comparisons of key financial indicators for the local government sector as a whole. The 2017 update report (covering the fourteen-year period from 1 July 2000 until 30 June 2016) included data for the sector as a whole on the: operating surplus (deficit); net financial liabilities ratio; and operating surplus ratio.

In addition, the report compared categories of councils' actual results for their operating surplus ratio and net financial liabilities ratio.

Reforms undertaken during 2016–17 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 Local Government Association of South Australia Board, a metropolitan Chief Executive, a country Chief Executive, a representative from local government trade unions, a representative from South Australian universities, the South Australian Office of Local Government and the Local Government Association of South Australia Chief Executive.

The scheme has approved a total of 678 projects since its inception in 1997, with \$29 million in total approved funding. This has attracted significant matching funds and in-kind support from other sources. Projects approved for funding during 2016–17 were:

- 2016.33 Audit of Energy Efficiency Activities
- 2016.58 An Empirical Assessment of Rate-pegging for South Australian Local Government
- 2016.57 Approaches to Integrated economic development
- 2016.32 Disaster Ready
- 2016.35 Eyre Peninsula Regional Strategic Plan
- 2016.45 Guidelines to plan climate change actions & identify monitoring needs
- 2016.31 Instrument of Delegations - Airports
- 2016.44 Long Term Financial Plan Model Review and Update
- 2016.39 Places & Spaces - Facility Booking System for Councils
- 2016.36 Realignment of the Hills Rail Corridor: Cost Benefit Scoping Study
- 2016.53 Removal of organic chemicals from water by aquifer filtration in managed aquifer recharge schemes
- 2016.60 State-Local Government Infrastructure Investment Partnership
- 2016.37 Suicide Prevention Networks - development of an Evaluation Toolkit
- 2016.56 The Role of Public Toilets in Mobility and Social Inclusion
- 2016.42 Valuing Social Outcomes
- 2016.52 Enhancing Professionalism in Environmental Health
- 2017.16 An Elected Member training pathway
- 2017.12 Authorised Persons web resources
- 2017.02 Coastal Adaptation Decision Pathways Guidance
- 2017.15 Community Engagement
- 2017.04 Community Wellbeing Monitor
- 2017.01 EARS Enhancement
- 2017.14 e-Learning development

- 2017.08 Evidence to inform advocacy for a Strategic Population Policy
- 2017.07 LG Elections 2018, Support and Promotion
- 2017.13 LG Workforce Alignment
- 2017.09 LGA Outreach Services 2017-18
- 2017.10 LGA Schemes Review - Phase 2
- 2017.06 Review of water management legislation & policy
- 2017.03 Strategic Investment Plan for Future Proofing Infrastructure

### *Guidelines and model policies*

The Local Government Association of South Australia continued to provide a range of material to help councils meet their governance obligations. These materials include model policies and procedures, guidelines, information papers and codes of practice. Those published or updated in 2016–17 included:

- *Model Financial Statements (May 2017);*
- *Better Practice Model – Internal Financial Controls;*
- *Factsheet No 2 - Unfair Terms in Small Business Contracts;*
- *Instrument of Delegation under the Electronic Conveyancing National Law (South Australia) Act 2013; and*
- *Instrument of Delegation under the Real Property Act 1886*

### Initiatives undertaken in relation to local government service delivery to Aboriginal and Torres Strait Islander Communities

The Local Government Association of South Australia has continued to work towards delivering actions identified within its Reconciliation Action Plan which was formally endorsed at the end of 2014. During 2016-17, these actions include the establishment of a Reconciliation Action Plan network and facilitation of a forum to provide support and learnings in progressing individual Reconciliation Action Plans.

The Local Government Association of South Australia has also supported the work of the South Australian Government's Aboriginal Employment Industry Clusters Program which aims to increase the number of Aboriginal people employed and retained in the specified industries. The Local Government Cluster group is working to strengthen links and encourage partnerships between the state and local governments.

In April 2015, the South Australian Government secured \$15 million from the Australian Government to provide municipal services to Aboriginal communities outside of the Anangu Pitjantjatjara Yankunytjatjara.

Over 2016–17, \$3 million 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 which provides services to Gerard
- District Council of Yorke Peninsula which provides services to Point Pearce
- District Council of Coober Pedy which provides services to Umoona
- Outback Communities Authority which provides services to Dunjiba.

This funding will continue to be provided to communities over 2017–18 to support these vital services.

Any local government reform activities including deregulation and legislative changes by your jurisdiction during the reporting period.

During 2016–17, the Office of Local Government continued to progress work to significantly reform the legislative provisions that govern how council boundaries can be changed under the *Local Government Act 1999* (the Act). Legislation was introduced into Parliament to establish 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.

A Bill was also introduced into Parliament to amend the *Local Government (Elections) Act 1999* to improve transparency for voters, remove inconsistencies and address technical issues relating to the operation of local government elections.

Regulations were finalised to achieve the intended reform of council informal gatherings, and also clarify the application of the conflict of interest provisions in relation to council committees, council subsidiaries and regional subsidiaries established under the Act.

The Office of Local Government also progressed a review of the Codes of Conduct for Council Members and Employees.

Schedule 1A of the *Local Government Act 1999* was replaced, to give legal effect to the Stormwater Management Agreement that had been entered into by the State of South Australia and the LGA in August 2013.

The *Local Nuisance and Litter Control Act 2016* commenced operation, to regulate local nuisance and littering.

Preparations were made to facilitate the commencement in late 2017 of legislation passed in 2015 to provide for registration of Building Upgrade Agreements, to improve the energy, water or environmental efficiency or sustainability of some buildings.

## Report from the Government of Tasmania

### The methodology used for distributing funding under the Financial Assistance Grant program to local government for 2016–17 by the Tasmanian State Grants Commission

In arriving at its distribution recommendations, the Tasmanian State Grants Commission takes into account the requirements of the National Principles issued under the *Local Government (Financial Assistance) Act 1995* (Cwth) namely horizontal fiscal equalisation (effort neutrality, minimum grant, other grant support, Aboriginal and Torres Strait Islander peoples, and council amalgamation for the base grant allocations) and asset preservation for the road grant allocations.

#### *Methodology used for calculating base grants allocations*

The base grant is distributed on the basis of a two pool approach, by firstly allocating the per capita grant (30 per cent of total base grant) on the basis of council population shares, and then distributing the remainder (70 per cent of total base grant) on a relative needs or equalisation basis. This is seen as the simplest and most transparent means of giving effect to the minimum grant National Principle (National Principle 3).

The equalisation model calculates a distribution of the relative needs pool using a balanced budget approach. That is, each council's relative needs grant entitlement is derived from the difference between the council's expenditure requirement necessary to provide services to a common standard with all other councils, and the council's revenue capacity, as calculated by the Tasmanian State Grants Commission.

Each year the relative needs portion of the Base Grant pool is allocated amongst those councils assessed as having a positive standardised deficit (i.e. a deficit where their assessed expenditure requirement is greater than their assessed revenue capacity). 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. The relative needs component portion of the base grant is allocated amongst those councils assessed as having a positive standardised deficit (a deficit where expenditure requirement is greater than revenue capacity). The relative needs portion of funding is allocated in proportion to those standardised deficits.

The basic equalisation calculation is: revenue capacity less expenditure requirement equals assessed surplus divided by assessed deficit.

Revenue capacity is calculated using three-year averages of:

- the revenue a council would raise by applying the state-wide average rate in the dollar to all its rateable properties (standardised revenue); plus
- the council's per capita grant allocation; plus
- certain other financial support payments.

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 allowances for additional support provided by councils for either doctors' practices or airports; plus
- the Budget Result Term which enables a balanced budget at a state level.

Standardised expenditure is calculated as follows:

1. calculate total state-wide spending for each expenditure category
2. share the total expenditure between councils on a per capita basis (standard expenditure)
3. apply cost adjustors to standard expenditure to reflect inherent cost advantages/disadvantages faced by individual councils in providing services.

Tasmania's base grant model cost adjustors include: absentee population; scale (admin); climate; scale (other); dispersion; tourism; isolation; unemployment; population decline; worker influx and regional responsibility.

### *Methodology used for calculating road grant allocations*

The road preservation model used by the Tasmanian State Grants Commission determines the allocation of the road grant according to council shares of the modelled asset preservation costs of council bridge (bridge and culvert assets) and road assets in Tasmania.

The road preservation model uses dimensions of the average Tasmanian road, as well as average costs and maintenance schedules, to calculate the state average cost per kilometre per annum for councils to maintain their road networks. Three road types are included within the assessment: urban sealed, rural sealed and unsealed roads.

Cost adjustors and an allowance are applied within the model to account for relative cost advantages or disadvantages faced by councils in road maintenance. These cost adjustors include rainfall, terrain, traffic and remoteness. An urbanisation allowance is also applied to road lengths in recognised urban areas.

The model calculates an assessed cost for each council to maintain its road network. The available road grant funds are then distributed to councils based on their share of the total state-wide assessed costs.

### *Grant stability*

The Tasmanian State Grants Commission is aware of councils' preference for grant stability. In finalising the base grants each year, the Tasmanian State Grants Commission applies a 15 per cent cap and a 10 per cent collar to the base grant allocations. In determining the final base grant allocations for 2016-17, the 15 per cent cap did not affect any councils. The 10 per cent collar affected three councils. Caps and collars are not used in the road preservation model.

## Triennium reviews

The Tasmanian State Grants Commission monitors council practices to ensure that its methods for distributing both the base and road grants are contemporary and equitable across councils. The Tasmanian State Grants Commission also monitors developments in local council policies, with a view to ensuring that the Tasmanian State Grants Commission's modelling reflects standard council policies. The annual hearings and visits process conducted by the Tasmanian State Grants Commission plays an important part in the monitoring of council practices and consulting on any proposed methodology changes that the Tasmanian State Grants Commission may be considering.

In this context, the Tasmanian State Grants Commission operates a triennial review policy whereby major methodological changes are incorporated into its assessments every three years, with data updates and minor revisions to the methodology incorporated each year. This policy is designed to balance the conflict between grant stability and the desire to update the Tasmanian State Grants Commission's modelling to best reflect horizontal fiscal equalisation principles and developments in council practices.

## Data sources

The Tasmanian State Grants Commission models are primarily data driven, which means that significant changes in data can influence calculated grant shares. The Tasmanian State Grants Commission takes the accuracy and consistency of data seriously and actively seeks to increase the integrity of the data used within the assessments. The Tasmanian State Grants Commission uses data from many sources to inform its models and decisions, including data from the Australian Bureau of Statistics, the Valuer-General, Tourism Research Australia, the Bureau of Meteorology, various state and Australian Government departments, engineering advice, and data sourced from councils either directly or through the Tasmanian Government's annual consolidated data collection process.

The main datasets sourced by the Tasmanian State Grants Commission to inform its models are detailed in Table 36.

Table 36 *Tasmanian data sources*

<b>Data used</b>	<b>Source</b>
Population, population dispersion, workforce movements, place of usual residence, dwellings, unoccupied to total dwellings as per Census night survey	Australian Bureau of Statistics
Assessed annual values data by municipality	Office of the Valuer-General
Domestic day tripper data	Tourism Research Australia (Australian Government)
Bed capacity data	Tiger Tours (Tourism Tasmania)
Unemployment, labour force data	Department of Employment (Australian Government)
Rainfall data	Bureau of Meteorology (Australian Government)
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, and road lengths and type	Local Government Division (Department of Premier and Cabinet)'s Consolidated Data Collection Returns (Tasmania)
Roads to Recovery program funding	Department of Infrastructure, Transport, Regional Development and Communications (Australian Government)
Tasmanian Freight Survey – freight task by council road network by road type	Department of State Growth (Tasmania)

<b>Data used</b>	<b>Source</b>
Road component construction costs, road and bridge construction index	Australian Institute of Quantity Surveyors Australian Bureau of Statistics Consultant engineers Councils
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	Tasmanian State Grants Commission Council Bridge Data Returns

For comprehensive details on the State Grants Commission's methodology for determining the distribution of the 2016-17 financial assistance grants (both Base Grants and Road Grants), please refer to the *State Grants Commission Financial Assistance Distribution Methodology Paper*, the *State Grants Commission 201516 Annual Report*, including 201617 Financial Assistance Grant Recommendations (Report #40), and the State Grants Commission 2016-17 Financial Assistance Grants Data Tables, all of which are available on the Publications Page of the State Grants Commission's website at [www.treasury.tas.gov.au/state-grants-commission/publications](http://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 2016-17 from that used in 2015-16

The 2016-17 year was Year 1 of the Tasmanian State Grants Commission's 2018-19 Triennium. As such the Tasmanian State Grants Commission has only taken into account data updates for determining the distribution of the 2016-17 Base Grants and Road Grants. The State Grants Commission has not made any changes to its methodologies in arriving at its 2016-17 allocations.

### *2016-17 triennium methodology changes*

Due to the cessation of a data source, for the 2016-17 Base Grant distributions the Tasmanian State Grants Commission temporarily froze the bed capacity statistics informing the Tourism Cost Adjustor at the June 2015 bed capacity statistics. Only the Day Tripper statistics were updated for 2016 data portion which informs the Tourism Cost Adjustor. The Tasmanian State Grants Commission retained the weighting it applied to the two variables at 70 per cent Bed Capacity and 30 per cent Day Tripper data.

The change in tourism database system from Tourism Tasmania's Tiger Tourism database to the National Online system has resulted in the cessation of a system measuring bed capacity rates for Tasmanian accommodation establishments. This had been a key part of the dataset used by the Tasmanian State Grants Commission to inform its Tourism Cost Adjustor. As a consequence, the Tasmanian State Grants Commission is investigating the future of its Tourism Cost Adjustor.

Commencing from the 2016-17 distributions, the Tasmanian State Grants Commission has introduced indexation of the standard asset preservation cost for its standard bridges and culverts. The average movement in the unit rates of the Australian Institute of Quantity Surveyors Building Cost Index (AIQS BCI), which is used to index the asset preservation costs is now used to maintain the currency of bridge and culvert asset preservation costs. Bridge and culvert asset preservation costs will now be indexed by the Average BCI component increase

for those years when a full asset preservation cost reset is not undertaken (i.e. indexation is applied in the off-years).

### Legislative change

There were no changes made to the *State Grants Commission Act 1976* (Tas) during 2016–17.

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

The *Local Government (Content of Plans and Strategies) Order 2014* outlines the minimum requirements of a council's financial and asset management plans, strategies and policies, including the classes of assets for which council asset management plans and strategies must apply.

The Department of Premier and Cabinet's Local Government Division in Tasmania is providing oversight to ensure that councils have in place a set of robust financial and asset management plans, strategies and policies which are cohesive and useful for supporting council decision-making. Ongoing work is required to monitor compliance and track alignment between the long-term plans and actual outcomes.

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

Each year, the Tasmanian Auditor-General undertakes financial analysis of entities in the Tasmanian local government sector, comprising 29 councils, five subsidiaries and seven other local government entities. The format and scope of the 2016–17 Tasmanian Auditor-General's report has departed from previous years' reports in that the comprehensive comparative analysis for the 29 Tasmanian councils was replaced with aggregated financial results for the sector. The analysis of the 2016–17 results was presented under two council classifications:

- urban (10 councils with populations greater than 20,000); and
- rural (19 councils with populations up to 20,000 at a density of <30 per square kilometre).

Sector analysis by the Tasmanian Auditor-General considered the aggregated financial results including underlying surplus or deficit; revenue; capital investment including funding source and allocation, management of working capital and management of cash for asset renewal. Five key financial sustainability ratios were also presented, namely: underlying surplus ratio; road asset sustainability ratio; road asset renewal funding ratio; road asset consumption ratio; and net financial liabilities ratio. Separate chapters provided individual analysis for each of the 10 urban councils, and the remaining 19 rural councils were analysed together in a summary chapter.

To complement the work of the Tasmanian Auditor-General, in 2016–17 the Tasmanian Department of Premier and Cabinet's Local Government Division commenced work on a Local Government Data, Analysis, Transparency and Accountability project (LG DATA), with the dual objectives of enhancing transparency in local government and helping councils to identify opportunities to improve performance.

The Tasmanian Local Government Division's Consolidated Data Collection has been made available as open data for public consumption during 2017–18. The data comprises financial, function, capital expenditure, specific purpose payments and infrastructure datasets for all councils since 2000. It does not include any data analysis.

Comparative analysis tools will be developed progressively to provide the public with online access to key performance indicators for a council, and enable comparisons over time against averages of similar Tasmanian councils and all Tasmanian councils. This will help to further increase transparency and accountability within the sector.

### *Reforms undertaken during 2016–17 to improve the efficiency and effectiveness of local government service delivery*

The Tasmanian Government continues to recognise the need for a careful and considered approach to developing options for local government reform, such as voluntary amalgamations and strategic shared service opportunities. The Government supported Tasmanian councils to participate in five separate feasibility studies to explore reform options. The Tasmanian Government determined that any reform proposals must:

- be in the interest of ratepayers;
- improve the level of services for the community;
- preserve and maintain local representation; and
- ensure that the financial status of the entities is strengthened.

During 2016–17, two of the five feasibility studies were completed. The participating councils were:

- Greater Hobart Councils – comprising Clarence City, Glenorchy City, Hobart City and Kingborough Councils; and
- South-East Councils – comprising Clarence City, Glamorgan-Spring Bay, Sorell and Tasman Councils.

Both studies considered voluntary amalgamation and strategic shared services options for participating councils. Every option that was analysed indicated significant potential to deliver greater benefits to the respective communities, relative to the continuation of 'business as usual'.

The remaining feasibility studies, to be completed during the 2017–18 reporting period, are:

- Northern Tasmania Councils – comprising Break O'Day, Dorset, Flinders, George Town, Launceston, Meander Valley, Northern Midlands and West Tamar Councils (to consider shared services only);
- Cradle Coast Councils – comprising Burnie City, Central Coast, Circular Head, Devonport City, Kentish, King Island, Latrobe, Waratah-Wynyard and West Coast Councils (to consider shared services only); and
- Tamar Valley Councils – comprising George Town and West Tamar Councils (to consider voluntary amalgamation).

These studies will provide participating councils with a sound evidence base from which they can make decisions in the best interest of their communities, in accordance with the reform principles.

Councils wishing to progress a voluntary amalgamation option are required, under the *Local Government Act 1993 (Tas)*, to participate in a Local Government Board review. Such a review is expected to take 6 to 9 months to complete. Councils must consult their communities on the Board's findings and recommendations prior to submitting any reform proposals for consideration by the Tasmanian Minister responsible for local government.

The Tasmanian Government has indicated its intention to support consultation processes and transitional costs, should any amalgamation proposal(s) proceed.

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

No response provided.

## Local government reform activities including de-regulation and legislative changes

### *Targeted review of the Local Government Act 1993 (Tas)*

In December 2015, the Tasmanian Premier's Local Government Council endorsed Terms of Reference for a targeted review of the *Local Government Act 1993 (Tas)*. The aim of the targeted review is to ensure that the legislative framework for local government is effective and efficient, with a focus on improving governance.

The Terms of Reference established a Steering Committee to oversee the review. The Steering Committee, following consultation and analysis, in September 2016 made 35 recommendations to the Minister responsible for local government.

A draft Local Government (Targeted Review) Amendment Bill 2017 was developed and released for public consultation between March and May 2017. Further amendments were incorporated into the draft Bill as a result of the consultation.

Key proposed changes included:

- amendments to the functions of the mayor to clarify the focus and responsibilities of this leadership role and distinguish it from that of other elected members;
- the introduction of Performance Improvement Directions – a tool to require a council, a councillor or some councillors to take, refrain from taking or cease taking action to improve their performance with respect to statutory compliance;
- the introduction of Ministerial Orders to clarify the functions of mayor, councillors and general managers, which require consultation with the sector and are subject to disallowance by Parliament;
- a clear process and options for councils for appointing an acting general manager that reflects what is already occurring in the sector;
- amendments to ensure that members of an audit panel are now subject to the conflict of interest provisions, confidentiality requirements and misuse of information under the Act;
- the inclusion of electoral advertising on the internet; and
- a head of power requiring councils to keep a gifts and donations register.

### *Code of Conduct framework – implementation and review*

A new Code of Conduct framework, including the *Local Government (Model Code of Conduct) Order 2016* (Model Code), commenced in April 2016 following significant consideration and consultation with local government.

The Model Code, facilitated by the Tasmanian Government, was developed at the request of local government due to its lack of confidence in the old system. The development of the framework involved significant input from the local government sector and is independent of the statutory duties of the Director for Local Government.

Following its first year of operation, the Tasmanian Government, at the request of the local government sector, instigated a review to investigate whether the framework is proving to be effective, and identify and address any aspects that have not operated as intended.

### *Local government Amendment (Rates) Act 2017*

The *Local Government Amendment (Rates) Act 2017* received Royal Assent on 23 June 2017, and amended the *Local Government Act 1993* (Tas) to remove inconsistencies in the application of provisions relating to reserve Crown land used by private or commercial lease or licence holders. Specifically, the amendments:

- expanded the definition of municipal areas within section 16 to allow rating of land or structures that are adjoining municipal areas but are outside the municipal area as described with the relevant Central Plan Register;
- clarified the application of section 87(1)(b) as it applies to Crown land leases and licences;
- expanded the exemption to non-service rates under section 87(1) to include marine farms as granted under Part 4 of the *Marine Farming Planning Act 1995* and unallocated seabed Crown land;
- amended section 120 to clarify liability to pay rates; and
- validated the previous rating resolutions of local government.

Previously, for example, a business that was located on non-reserve Crown land was subject to rates, while a business located nearby on reserve Crown land may not have been subject to rates. While both businesses had access to the services provided by the relevant council, only one paid rates to support the provision of those services.

The amendments clarify the application of exemptions under the Tasmanian Local Government Act and provide councils with the capacity to apply rates equitably to property that meets the 'relevant right to occupation' criteria. The amendments do not apply to all licences over reserve Crown land, rather they apply to agreements that confer the lease or licence holder the right to 'exclusive occupation' of the land.

## Report from the Northern Territory Government

### The methodology used for distributing funding under the Financial Assistance Grant program to local government for 2016–17

The Northern Territory Grants Commission's methodology conforms to the requirement for horizontal equalisation as set out in section 6 (3) of the *Local Government (Financial Assistance) Act 1995* (Cwth). The Northern Territory Grants Commission, in assessing relative need for allocating general purpose funding, uses the balanced budget approach to horizontally equalise, based on the formula: assessed expenditure need minus assessed revenue capacity equals 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 Northern Territory Grants 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 Northern Territory Grants Commission resolved to use the latest estimated resident population figures from the Australian Bureau of Statistics and then adjust the figures to align with the population total advised to the Australian Government from the Northern Territory Treasury. The Northern Territory's funding is based on this total population figure. The same rationale was used for the 2016–17 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* (Cwth), 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 Northern Territory Grants Commission's annual returns enabled a number of revenue categories to be introduced, including municipal and shire 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 program, library grants and local roads grants are recognised in the revenue component of the methodology. In the case of recipients of the Roads to Recovery program grants, 50 per cent of the grant was included. Library grant and local roads grant recipients had the total amount of the grant included.

The Northern Territory Grants 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 2016–17 allocations, financial data from 2014–15 was used.

#### Expenditure needs

The assessment of standard expenditure is based on the Northern Territory average per capita expenditure within the expenditure categories, to which cost adjustors are applied that reflect the assessed disadvantage of each local government.

The Northern Territory Grants Commission currently uses the nine expenditure categories in accordance with the Australian Bureau of Statistics Local Government Purpose Classifications.

### Cost adjustors

The Northern Territory Grants Commission uses cost adjustors to reflect a local government's demographics, geographical location, external access, and the area over which it is required to provide local government services. All of these influence the cost of service delivery. Northern Territory Grants Commission uses three cost adjustors: location, dispersion and Aboriginality.

### Minimum grants

For most local governments, the assessed expenditure needs exceed the assessed revenue capacity, meaning there is an assessed need. In five cases, assessed revenue capacity was greater than assessed expenditure need, meaning that there was 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, five local government councils still receive a grant, or what is referred to as the minimum grant.

### Formula – revenue component

For all councils:

Assessed revenue raising capacity	=	total identified local government revenue
Total local government revenue	=	assessed Northern Territory average revenue plus other grant support plus budget term

#### Where

Revenue category	=	domestic waste, garbage, general rates, general rates other, special rates parking, special rates other, fines and interest
Domestic waste	=	per capita
Garbage other	=	actual
General rates	=	average rate
Service charges	=	per capita
Interest	=	actual
State income by revenue category 2014–15	=	actual state local government gross income
Actual state local government gross income 2014–15	=	169,299,281
Other grant support	=	Roads to Recovery program grant 2015–16, (50 per cent), library grant 2015–16, and roads grant 2015–16
Budget term	=	Population x per capita amount
<b>Total local government revenue for 2016–17 allocations</b>	=	<b>310,659,555</b>

## Formulae – expenditure components

Total local government expenditure of 310,659,555 apportioned over each expenditure component.

a. General public services (133,582,708)

Community population/Northern Territory population x general public services expenditure x Aboriginality

b. Public order and safety (17,745,584)

Community population/Northern Territory population x public order and safety expenditure x (location + dispersion + Aboriginality)

c. Economic affairs (35,502,699)

Community population/Northern Territory population x economic affairs expenditure x (location + dispersion)

d. Environmental protection (15,285,091)

Community population/Northern Territory population x environmental protection expenditure

e. Housing and community amenities (46,681,721)

Community population/Northern Territory population x housing and community amenities expenditure x (location + dispersion + Aboriginality)

f. Health (3,542,162)

Community population/Northern Territory population x health expenditure x (location + dispersion + Aboriginality)

g. Recreation, culture and religion (47,493,257)

Community population/Northern Territory population x recreation, culture and religion expenditure x (location + dispersion)

h. Education (3,589,570)

Community population/Northern Territory population x education expenditure x (location + dispersion + Aboriginality)

i. Social protection (27,236,763)

Community population/Northern Territory population x social protection expenditure x (location + dispersion + Aboriginality)

### *Local road grant funding*

To determine the local road grant, the Northern Territory Grants Commission 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.

## Changes to the methodology for distributing funding to local governments under the Financial Assistance Grant program for 2016–17 from that used in 2015–16

During the course of 2016–17, the methodology remained unchanged from the previous year. The usual data refreshment was undertaken upon receipt of the annual Northern Territory Grants Commission financial and roads returns.

In 2012–13 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 calculations where the Northern Territory Commission quarantined a pool totalling 200,000 and subsequently allocated 135,000 and 65,000 to the Alice Springs and Katherine councils respectively. This quarantined arrangement is to be reviewed every three years.

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

In 2014–15, a three year agreement was entered into with the Local Government Association of the Northern Territory, to provide a range of support services to the Northern Territory's local government sector. Funding was provided by the Northern Territory Department of Housing and Community Development for the Local Government Association of the Northern Territory to deliver the following activities under this agreement during 2016–17:

- two tailored training sessions conducted by the Australian Institute of Company Directors for elected members and council officers on corporate governance and good management of councils, which included a session on council financial reporting, planning, budgeting and the importance of asset management;
- a presentation to senior finance staff from councils across the Northern Territory from APV Valuers and Asset Management on the importance of accurate infrastructure asset valuations and appropriate depreciation rates. This presentation included:
  - the importance (and compliance with the Australian Accounting Standards Board) to include all assets that councils spend money on in its assets register;
  - tenure over land;
  - lease arrangements;
  - licencing arrangements;
  - the importance of all assets being realistically valued for Current Replacement Cost (CRC) and having appropriate useful lives;
  - how expanding the asset detail to componentised levels can help in recognising more accurate CRC and Depreciation values;
  - the benefits of negotiating appropriate levels of service with the community, while not creating unrealistic expectations; and
  - the need to regularly review the Asset Management Strategy and plans to ensure everything is synchronised to the overall long term council strategy.

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

In 2014–15, a Model Financial Statements Working Group was established with members from the Local Government Association of the Northern Territory, the Northern Territory Department of Housing and Community Development, and council staff, to develop an annual financial reporting framework for the Northern Territory local government sector. The model financial statements aim to include three standard ratios which will enable financial performance to be compared across the sector. In 2015–16, the use of a sector-wide model financial statements was agreed and made available for all local government councils by the Local Government Association of the Northern Territory.

The Local Government Association of the Northern Territory circulated the endorsed sector-wide model financial statements to councils to assist councils with preparing their annual financial statements. Most councils in the Northern Territory used this template as the basis for reporting their 2016–17 annual financial statements.

During 2016–17, the Northern Territory Department of Housing and Community Development commenced drafting set of sector-wide Key Performance Indicators in the areas of governance, financial reporting and service delivery for inclusion in council annual reports. Once the draft has been finalised feedback will be sought from the sector.

## Reforms undertaken during 2016–17 to improve efficiency and effectiveness of local government service delivery

Local authorities were established in 63 remote communities within nine regional councils across the Northern Territory. They comprise between 6 to 14 members, including community-nominated and regional council-elected members. Local authority meetings are held at least four times per year and discuss a range of issues such as council planning, budgeting, employment and the monitoring of service delivery within their respective communities.

A review of local authorities for 2016–17 indicated that local authorities were delivering on their objectives to deliver a stronger local voice and greater accountability for service delivery. In 2016–17, local authorities held 363 meetings, of which 290 (80 per cent) had successfully reached a quorum.

The Northern Territory Government endorsed broadening the activities of local authorities as the preferred body for the government's engagement with remote communities across all portfolio areas.

The Northern Territory Government plays a coordination role in assisting requests from local authorities or regional councils for information or a presentation from Northern Territory Government agencies. A process has been developed to enable the recording, tracking and follow up of local authorities and regional councils' requests for information from Northern Territory Government agencies. The ability to request information and coordinate responses helps keep remote communities better informed and up to date about the services and issues that affect them.

## Reforms undertaken and services provided by local government to Aboriginal and Torres Strait Islanders

Local authorities were established in 63 remote communities across the Northern Territory. In addition to delivering a stronger local voice and greater accountability for service delivery, one of the functions of local authorities is to determine local projects that reflect the needs and priorities of the local community.

To 30 June 2017, the 63 local authorities have approved 466 local projects for their communities with 383 of them (82 per cent) having either been completed or in progress. Examples to date, include community amenities, playgrounds, water parks, sporting facilities, community lighting, community festivals and public toilets. Regional councils receive funding of \$5.1 million per year for local authority projects, which is allocated through a methodology that is consistent with the methodology used for distributing Financial Assistance Grant program funding.

In 2016-17, the Northern Territory Department of Housing and Community Development provided \$7.9 million in Indigenous Jobs Development Funding to nine regional councils and one shire council to assist with subsidising 50 per cent of the cost of employing Aboriginal staff within their councils. The grant provides regional 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.

## Local government reform activities in the areas of deregulation and legislative change

There were no local government reform activities in the areas of deregulation and legislative change undertaken within the department during 2016-17.

## Report from the Australian Capital Territory Government

The Australian Capital Territory Government administers the Australian Capital Territory as a city–state jurisdiction, unique within the Australian Federation. As a result there is little or no differentiation in Australian Capital Territory Government service provision between ‘state-like’ and ‘local-like’ functions. This is demonstrated by the Australian Capital Territory Government’s engagement with local government through membership of the Canberra Region Joint Organisation and the Council of Capital City Lord Mayors, as well as engagement with other jurisdictions through the Council of Australian Governments.

The Australian Capital Territory Government is increasingly focused on enhancing Canberra’s role as the regional centre for south-east New South Wales and the relationships that exist across the Canberra region. The Australian Capital Territory Government works closely with the New South Wales Government and local government in the region to address matters of common interest. The Australian Capital Territory 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 Australian Capital Territory Government

In 2016–17 the ACT Government established an Infrastructure Planning and Advisory Committee comprising of Directors-General and Chief Executive Officers across the ACT Government. The committee’s key role is to provide coordinated advice to the ACT Government on land, transport planning, municipal services and other service infrastructure. The committee will ensure that a coordinated long term strategy for Canberra is developed for Government consideration.

#### *The Australian Capital Territory Government Infrastructure Plan 2011–21*

The Australian Capital Territory Government Infrastructure Plan 2011–21, outlines future strategic objectives of:

- implementing strategic asset management and service planning across government agencies
- exploring strategic opportunities across all agencies to support innovation and quality infrastructure design
- consulting on the need for a climate change vulnerability assessment framework for Australian Capital Territory Government infrastructure
- strengthening strategic infrastructure planning by developing closer links with Government prioritisation processes
- engaging in continuous improvement of the planning and delivery of new infrastructure investment in the Australian Capital Territory.

The Australian Capital Territory Government publishes updates to the infrastructure plan to inform businesses and the community of the current projects being undertaken through its capital works program, while outlining works the Australian Capital Territory Government is considering for future budget processes.

### *The Capital Framework*

During 2016–17, the Australian Capital Territory Government continued to plan, manage and review capital works projects under The Capital Framework. The Capital Framework seeks to improve business case development through better service and asset planning, as well as early project definition and scope.

As part of the ACT Government's commitment to improve the delivery of capital projects, whole-of-government training courses were run to facilitate understanding of the Capital Framework across government.

### *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); and
- evaluation of unsolicited proposals under a structured framework.

The Partnerships Framework facilitated the procurement of major infrastructure projects in the ACT, including the ACT Law Courts redevelopment, the University of Canberra Public Hospital and Light Rail Stage 1.

### *Strategic asset management planning*

The Australian Capital Territory Government also supports a Strategic Asset Management program, providing financial assistance for agencies to establish Plans for management of the Australian Capital Territory assets. This program fosters better practice to increase the Australian Capital Territory's economic capacity, reduces future costs, and grows the city in a way that meets the changing needs of the demographic and maintains current infrastructure.

As part of its planning, the Australian Capital Territory Government provides funding for the ongoing improvement of the assets through its Capital Upgrade Program. Investment in the upgrade of assets extends the useful life, or improves the service delivery capacity of existing physical infrastructure. Upgrades are distinct from routine repairs and maintenance, which receive separate funding.

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

The Australian Capital Territory Government does not currently undertake comparative performance measures with other local governments. However, the Australian Capital Territory Government does participate in the Productivity Commission's annual Report on government services. The purpose of this report is to provide information on the equity, efficiency and effectiveness of Government Services in Australia. The report outlines the Australian Capital Territory's 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.

## Australian Capital Territory Government reforms undertaken during 2016–17 to improve the efficiency and effectiveness of service delivery

### *Access Canberra*

Access Canberra supports economic growth by making it easier to do business with government. Access Canberra shapes the delivery of services around businesses, community groups and individuals seeking to engage with the Australian Capital Territory Government, enabling a ‘no wrong door’ approach and ensuring the appropriate levels of community protection work to make Canberra an even better place to live.

Access Canberra has worked to continuously improve service delivery, engaging with and educating the community. Access Canberra is a single point of entry for people who need to access a government service. By providing a single website, phone number and a number of service centres, finding the government service has become easier. The introduction of online services enables the community to easily interact with government. Access Canberra has worked across the Australian Capital Territory Government to provide joined up services. An example is the Fix My Street service which allows community members to lodge a complaint or request government services through an online portal with the responsible area of government being notified automatically for response and action.

Access Canberra has made doing business with the Australian Capital Territory Government easier by introducing online drivers licence renewals. This new service means that most drivers (who have had a photograph taken within the last five years) can simply go online, complete the transaction, and have their new licence posted to them. These drivers are automatically issued with a month-long temporary drivers licence to enable them to keep driving until their new licence is posted to them within three weeks. Other changes to driver licence renewals include an option for drivers to renew their licence for ten years. In most instances, drivers who choose to renew for ten years will need to attend a service centre to have their licence renewed. This is just another innovation from Access Canberra to cut red tape for the community. Since the introduction of these new licence options in September 2017, 14,379 driver licence renewals have been lodged online, and 10,500 ten year licences have been issued.

By bringing together many of the regulators in the Australian Capital Territory Government, Access Canberra has strengthened regulation activities across the community. By joining up regulators from a variety of disciplines such as food, building, liquor, work safety and environmental inspectors Access Canberra continues to meet government and organisational priorities as well as business, industry and community expectations. Joint inspections by Access Canberra regulators has reduced red tape, simplified seeking approvals from government, and reduced the time businesses need to spend interacting with government agencies.

## Australian Capital Territory Government initiatives undertaken in relation to service delivery to Aboriginal and Torres Strait Islander communities

### *The Australian Capital Territory Aboriginal and Torres Strait Islander Agreement 2015-18*

The Australian Capital Territory Aboriginal and Torres Strait Islander Agreement 2015–18 was signed on 23 April 2015 by the Chief Minister, the Chair of the Aboriginal and Torres Strait Islander Elected Body, the Minister for Aboriginal and Torres Strait Islander Affairs, and the Head of the ACT Public Service. The Aboriginal and Torres Strait Islander Elected Body has continued to play a key role in the oversight of the Agreement.

The Australian Capital Territory Aboriginal and Torres Strait Islander Agreement 2015–18 is a foundational document that affirms the Australian Capital Territory Government’s commitment to reconciliation between Aboriginal and Torres Strait Islander Australians and non-Indigenous Australians.

The Agreement is based on community and stakeholder feedback that “Strong Families” are the key to improving resilience and achieving equitable outcomes for members of the Aboriginal and Torres Strait Islander community in the Australian Capital Territory. The Agreement focusses on seven key focus areas:

- cultural identity;
- healthy mind, healthy body;
- feeling safe;
- connecting the community;
- employment and economic independence;
- education; and
- leadership.

Reporting on measures to address and overcome disadvantage is provided in detail in the 2016–17 Annual Reports of all Australian Capital Territory Government Directorates. The Annual Reports contain a dedicated section to reporting on Aboriginal and Torres Strait Islander programs/policies and initiatives. This reporting includes: actions to supporting the community; services for children and families; supporting vulnerable children and young people; and actions taken to showcase government and community working together.

In 2016–17, the Aboriginal and Torres Strait Islander Agreement 2015–18 Outcomes Framework (the Outcomes Framework) was developed. The Outcomes Framework is designed to evidence the way programs and initiatives support specific population based outcomes. It provides a shared understanding of specific outcomes that the community expects and also unifies effort across government.

Further, the Outcomes Framework provides a mechanism for a gap analysis of community needs against government service provision and aids the understanding of the appropriateness of service delivery models between culturally specific programs, culturally differentiated mainstream services and culturally autonomous and delivered services. The Outcomes Framework will form part of the Annual Report of the Aboriginal and Torres Strait Islander Agreement 2015–18.

## Deregulation and legislative change

### *Deregulation reforms*

In terms of significant regulatory reform initiatives, following the Taxi Industry Innovation reforms which were introduced in 2015, the Australian Capital Territory Government has commenced an evaluation of the reforms in 2017. The evaluation is examining the effects of reforms on: the passenger travel experience, including accessibility and safety; the structure and competitiveness of the industry; and other factors.

The Australian Capital Territory Government also has undertaken further reforms to the *Liquor Act 2010* to further reduce alcohol related harm and improve the vibrancy of Canberra's nightlife precincts, while also removing unnecessary regulation for the liquor and hospitality industry. The regulatory changes included:

- exempting those businesses who provide a small amount of alcohol ancillary to their main business;
- recognising interstate responsible service of alcohol qualifications;
- removing certain requirements for low risk licence types;
- providing for perpetual licences;
- authorising extended trading hours for up to six times in a year; and
- removing unnecessary signage, toilet and telephone requirements.

The Australian Capital Territory Government has continued with its introduction of an annual omnibus bill for red tape reduction to complement the Government's program of reforms. The legislative amendments in 2016–17 included removing charities and incorporated associations registered with the Australian Charities and Not-for-profits Commission from Australian Capital Territory legislation to remove duplication between Australian Capital Territory and Commonwealth regulation.

## Report from the Australian Local Government Association

### Developments in relation to local government's use of long-term financial and asset management plans

In 2016–17, 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 \$427.6 billion (ABS Catalogue 5512). 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 2016–17 was in the order of \$43 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. PricewaterhouseCoopers (2006) estimated an infrastructure renewals backlog of around \$14.5 billion, which has undoubtedly grown over the last decade.

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, the Australian Local Government Association commissioned JRA in 2014 to develop the 2015 State of the Assets Report. This report estimated that the gross replacement value of local government infrastructure (excluding land) was estimated at around \$438 billion. The study, based on reported data from councils, drawn from asset management plans, showed that an estimated 11 per cent or \$47 billion of assets were in poor to very poor condition and in need of significant renewal or rehabilitation with some beyond rehabilitation. During 2016–17 the Australian Local Government Association Board commissioned JRA to up-date the State of the Assets, published in November 2018.

Roads are one of local governments largest asset classes estimated at around 41 per cent of total non-financial assets (State of the Assets 2015) with an estimated replacement value of \$180 billion. The most recent ABS statistics on local government expenditure (ABS Cat 5512, April 2016) state that local government in aggregate spent \$7.58 billion on Transport and Communications in 2014–15. This figure includes expenditure of Roads to Recovery funding of \$350 million.

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. The Australian Local Government Association 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:

- The relatively rapid growth of total government road related expenditure costs;
- The unsustainable reliance on road related taxes and charges to fund infrastructure in the face of expected fuel excise levy declines;
- The disruption of future models of vehicle ownership;
- The competing funding pressures from other government services; and
- 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.

## Measures taken to develop 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, the Australian Local Government Association supports the availability of accurate, timely and consistent data to enable evidence base research, planning and outcomes. Where possible, the Australian Local Government Association advocates for this approach which has also been confirmed in many Parliamentary research reports in recent years.

## Any reforms undertaken during 2016–17 to improve the efficiency and effectiveness of local government service delivery

The Australian Local Government Association 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. There has also been a substantial change to the structure of local government in the Northern Territory. The Australian Local Government Association has adopted a national policy position that it opposes forced council amalgamations.

During 2016–17, The Australian Local Government Association supported the Federal Government's Smart Cities and Suburbs Program, providing guidance to the Government. Councils and communities around Australia are embracing new technologies. Councils are providing free WiFi, 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.

## Improvements in local government service delivery to Aboriginal and Torres Strait Islander communities

The Australian Local Government Association supports the Closing the Gap initiatives and notes the important work of local councils in improving local service delivery to Aboriginal and Torres Strait Islander communities.

Over the past decade, the Australian Local Government Association's engagement on Indigenous issues has primarily focussed on the Council of Australian Government and relevant Ministerial Councils. Issues that have been progressed by the Council of Australian Government including: Closing the Gap including health and education, the National Partnership Agreement on Remote Indigenous Housing, Indigenous economic advancement including employment and procurement, investigations into Indigenous land administration and use, and community safety.

Within these processes, the Australian Local Government Association's primary role has been to:

- Advocate to ensure that Commonwealth State intergovernmental arrangements take account of local government issues; and
- 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', 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 on Remote Indigenous Housing. The National Partnership Agreement on Remote Indigenous Housing is a Commonwealth and State Agreement signed in 2008 and due to expire in 2018. However, the National Partnership Agreement on Remote Indigenous Housing came to an end at 30 June 2016, with most jurisdictions either withdrawing voluntarily or reaching alternative short term bilateral agreements with the Commonwealth.

# 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 2016–17 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* (Cwth) (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. Horizontal equalisation:

... 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]. [It] 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 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 37 shows the type of distribution model used by each commission.

*Table 37 Distribution models used for general purpose grants for 2016–17 allocations*

<b>State</b>	<b>Model used</b>
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. Table 38 shows the differences in the scope of equalisation of the commissions.

Table 38 Scope of equalisation in commissions' models for general purpose grants

<b>Expenditure function</b>	<b>NSW</b>	<b>Vic.</b>	<b>Qld</b>	<b>WA</b>	<b>SA</b>	<b>Tas</b>	<b>NT</b>
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 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 three-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 Socio-Economic Indexes for Areas. The methodology uses three of the indices: Index of Relative Socio-Economic Advantage and Disadvantage (Socio-Economic Indexes for Areas 2); Index of Economic Resources (Socio-Economic Indexes for Areas 3); and Index of Education and Occupation (Socio-Economic Indexes for Areas 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. There are no disabilities applied to the revenue standards. For the majority of local governments, revenue capacity is less than expenditure, however for some local governments (most often metropolitan) the assessed revenue capacity is greater than the assessed expenditure need.

**South Australia** estimates the revenue raising capacity of each council for each of five land use categories: residential, commercial, industrial, rural, and other. To make these estimates, the state average rate in the dollar is used—that is, the ratio of total rate revenue to total improved capital values of rateable properties. This result shows how much rate revenue a council is able to raise relative to the average. 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 adjustors 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 five cases in Northern Territory, assessed revenue capacity is greater than assessed expenditure need, meaning that there is no assessed need.

## Other grants support – National Principle

The fourth National Principle for the general purpose grant 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.  
(National Principle A4)

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.

Table 39 provides details on the grants included by commissions in allocating the general purpose component in 2016–17.

Table 39 Grants treated by inclusion for 2016–17 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	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** calculates expenditure for twenty-one council services. These services are: general administration and governance, aerodromes, services for aged and disabled, building control, public cemeteries, services for children, general community services, cultural amenities, control of dogs and other animals, fire control and emergency services, general health services, library services, noxious plants and pest control, town planning control, recreational services, stormwater drainage and national report flood mitigation, street and gutter cleaning, street lighting, and maintenance of urban local roads, sealed rural local roads, and unsealed rural local roads. 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.

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 function, councils with an actual population of less than 20,000 are deemed to have a population of 20,000. For the environment function, councils with a population less than 15,000 are assumed to have a population double that amount, 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 adjustors in Table 26 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 disabilities which recognise the additional costs that individual local governments experience in the provision of services due to growth and location.

**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. This includes library subsidies and expenditure function the South Australian Local Government Grants Commission that were reintroduced to the assessment process in 2015–16.

**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 adjustors to standard expenditure to reflect inherent cost advantages/disadvantages faced by individual councils in providing services.

Tasmania's base grant model cost adjustors 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 adjustors 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 2016–17 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 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. (National Principle A5)

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 expenditure allowances. Further, the methodology considers the additional costs for councils with a significant Aboriginal population as part of its suite of disability factors applied to expenditure. New South Wales' 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.

**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 disability 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 disabilities applied to the expenditure standard.

In **South Australia**, grants are allocated to the five Aboriginal communities recognised as local governing authorities. 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 South Australian Local Government Grants Commission used the services 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.

**Tasmania** has not provided information on how its methodology meets the needs of Indigenous communities.

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.

There was one amalgamation in New South Wales that occurred during 2016-17. The City of Rockdale was amalgamated with the neighbouring City of Botany Bay on 9 September 2016 to form the new Bayside Council.

## 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.

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).

## 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 priority local road projects. Expert committees provide advice on the projects to be funded.

Table 40 summarises the main features of the models used by the commissions for allocating local road grants in 2016-17.

Table 40 Allocating local road grants in 2016–17

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 into account the deck area of bridges on local roads.</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 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 both roads and bridges per annum.</p> <p>The road preservation model uses dimensions of the average Tasmanian road, as well as average costs and maintenance schedules, to calculate the state average cost per kilometre per annum for councils to maintain their road networks. Three road types are included within the assessment: urban sealed, rural sealed and unsealed roads.</p> <p>Cost adjustors 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 adjustors include rainfall, terrain, traffic and remoteness. An urbanisation allowance is also applied to road lengths in recognised urban areas.</p> <p>Commencing from the 2016–17 distributions, the State Grants Commission has introduced indexation of the standard asset preservation cost for its standard bridges and culverts. The average movement in the unit rates of the Australian Institute of Quantity Surveyors Building Cost Index (AIQS BCI), which is used to index the asset preservation costs the State Grants Commission uses for roads, is now used to maintain the currency of bridge and culvert asset preservation costs. Bridge and culvert asset preservation costs will now be indexed by the Average BCI component increase for those years when a full asset preservation cost reset is not undertaken (i.e. indexation is applied in the off-years).</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 2016–17



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 2016–17. 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 2016–17. Additional comparative information on grants received is provided in Chapter 2.

Councils receiving the minimum per capita grant in 2016–17 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 41 Distribution to councils in New South Wales for 2016-17

New South Wales		2016-17 actual entitlement									
		Classification	Population <sup>a</sup> Number	Council area sq km	Road length km	General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Albury	URM	51 722	306	519	4 659 196	1 286 695	5 945 891	90.08		2 479.18	
Armidale	URM	29 869	8 620	1 869	3 773 959	2 280 752	6 054 711	126.35		1 220.31	
Ballina	URM	41 828	485	607	2 820 534	1 260 436	4 080 970	67.43		2 076.50	
Balranald	RAM	2 422	21 693	1 328	2 391 189	1 231 668	3 622 857	987.28		927.46	
Bathurst Regional	URM	42 231	3 816	1 138	4 105 610	1 818 172	5 923 782	97.22		1 597.69	
Bayside	UDM	156 449	50	354	3 123 733	1 068 198	4 191 931	19.97	#	3 017.51	
Bega Valley	URM	33 475	6 279	1 176	4 788 386	1 822 620	6 611 006	143.04		1 549.85	
Bellingen	RAV	13 010	1 600	521	2 484 206	855 987	3 340 193	190.95		1 642.97	
Berrigan	RAL	8 416	2 066	1 262	2 976 129	1 278 186	4 254 315	353.63		1 012.83	
Blacktown	UDV	339 328	240	1 263	13 988 438	3 099 580	17 088 018	41.22		2 454.14	
Bland	RAL	5 959	8 558	2 925	4 180 438	2 747 770	6 928 208	701.53		939.41	
Blayney	RAL	7 380	1 525	681	1 594 513	786 029	2 380 542	216.06		1 154.23	
Blue Mountains	UFL	79 812	1 431	722	6 965 916	1 309 093	8 275 009	87.28		1 813.15	
Bogan	RAM	3 059	14 601	1 360	2 337 080	1 342 362	3 679 442	764.00		987.03	
Bourke	RAM	2 876	41 605	1 883	3 509 193	1 773 077	5 282 270	1 220.16		941.62	
Brewarrina	RAS	1 917	19 165	1 272	2 324 147	1 215 269	3 539 416	1 212.39		955.40	
Broken Hill	URS	18 856	170	211	3 720 882	477 302	4 198 184	197.33		2 262.09	
Burwood	UDM	36 139	7	82	721 569	245 624	967 193	19.97	#	2 995.41	
Byron	URM	32 723	566	596	1 769 244	1 095 631	2 864 875	54.07		1 838.31	
Cabonne	RAV	13 860	6 024	1 710	2 540 862	1 916 440	4 457 302	183.32		1 120.73	
Camden	UFL	72 256	201	541	2 329 607	1 151 512	3 481 119	32.24		2 128.49	
Campbelltown	UFV	158 941	312	669	7 881 595	1 626 717	9 508 312	49.59		2 431.57	
Canada Bay	URM	88 819	20	189	1 773 401	594 357	2 367 758	19.97	#	3 144.75	

## Distribution to councils in New South Wales for 2016–17 (continued)

Council name	Classification	Population <sup>a</sup> Number	Council area sq km	Road length km	2016-17 actual entitlement					
					General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Canterbury-Bankstown	UDV	354 948	110	856	8 708 705	2 500 309	11 209 014	24.54		2 920.92
Carrathool	RAM	2 733	18 933	2 300	3 194 693	2 144 409	5 339 102	1 168.93		932.35
Central Coast	UFV	333 119	1 681	1 992	19 958 618	4 159 889	24 118 507	59.91		2 068.30
Central Darling	RTM	2 088	53 494	1 602	3 463 257	1 483 252	4 946 509	1 658.65		925.88
Cessnock	URM	55 862	1 965	886	5 157 208	1 579 095	6 736 303	92.32		1 782.27
Clarence Valley	URM	51 040	10 429	2 067	7 125 113	3 064 039	10 189 152	139.60		1 482.36
Cobar	RTL	4 975	45 571	1 693	3 644 851	1 606 894	5 251 745	732.63		949.14
Coffs Harbour	URL	72 971	1 174	790	4 937 409	2 009 783	6 947 192	67.66		2 544.03
Coolamon	RAM	4 342	2 431	1 192	2 119 503	1 140 238	3 259 741	488.14		956.58
Coonamble	RAM	4 262	9 916	1 393	2 192 197	1 376 584	3 568 781	514.36		988.22
Cowra	RAV	12 476	2 809	1 203	2 851 160	1 352 650	4 203 810	228.53		1 124.40
Cumberland	UDV	224 639	-	484	6 183 342	1 555 035	7 738 377	27.53		3 212.88
Dungog	RAL	9 195	2 250	601	1 490 163	851 007	2 341 170	162.06		1 415.99
Edward River	RAL	8 962	8 881	1 398	3 512 846	1 424 217	4 937 063	391.97		1 018.75
Eurobodalla	URM	37 882	3 428	942	4 944 278	1 534 218	6 478 496	130.52		1 628.68
Fairfield	UDV	204 442	102	610	7 853 061	1 626 434	9 479 495	38.41		2 666.29
Federation	RAV	12 629	5 685	2 018	4 170 285	2 066 425	6 236 710	330.21		1 024.00
Forbes	RAL	9 754	4 718	1 745	3 025 950	1 800 145	4 826 095	310.23		1 031.60
Georges River	UDV	147 906	38	366	2 953 160	1 039 555	3 992 715	19.97	#	2 840.31
Gilgandra	RAM	4 368	4 832	1 294	2 163 992	1 299 280	3 463 272	495.42		1 004.08
Glen Innes Severn	RAL	8 999	5 480	1 092	2 434 713	1 285 525	3 720 238	270.55		1 177.22
Goulburn Mulwaree	URM	29 550	3 220	1 128	3 030 085	1 592 504	4 622 589	102.54		1 411.79
Greater Hume	RAV	10 378	5 749	1 781	2 852 126	1 905 783	4 757 909	274.82		1 070.06
Griffith	URS	25 986	1 640	1 244	3 419 920	1 515 534	4 935 454	131.61		1 218.27

## Distribution to councils in New South Wales for 2016-17 (continued)

New South Wales		2016-17 actual entitlement									
		Classification	Population* Number	Council area sq km	Road length km	General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Gundagai	RAV	11 461	3 981	1 265	3 238 217	1 459 057	4 697 274	282.54		1 153.40	
Gunnedah	RAV	12 805	4 987	1 367	2 591 785	1 492 561	4 084 346	202.40		1 091.85	
Gwydir	RAL	5 068	9 262	1 805	2 338 864	1 790 214	4 129 078	461.50		991.81	
Hawkesbury	UFM	66 134	2 775	905	2 589 603	1 626 086	4 215 689	39.16		1 796.78	
Hay	RAM	2 999	11 326	777	1 934 315	751 937	2 686 252	644.99		967.74	
Hills	UFV	160 881	-	784	3 356 563	1 708 918	5 065 481	20.86		2 179.74	
Hilltops	RAV	18 919	7 139	2 426	4 697 216	2 603 525	7 300 741	248.28		1 073.18	
Hornsby	UFV	149 252	-	565	3 027 047	1 317 411	4 344 458	20.28		2 331.70	
Hunter's Hill	UDS	14 741	6	61	294 326	140 650	434 976	19.97	#	2 305.74	
Inner West	UDV	187 566	35	424	4 229 454	1 272 636	5 502 090	22.55		3 001.50	
Inverell	RAV	16 936	8 595	1 741	3 452 329	1 916 224	5 368 553	203.85		1 100.65	
Junee	RAL	6 230	2 030	825	1 703 008	865 197	2 568 205	273.36		1 048.72	
Kempsey	URS	29 684	3 376	1 060	3 764 666	1 721 155	5 485 821	126.82		1 623.73	
Kiama	URS	21 505	258	222	1 045 724	443 375	1 489 099	48.63		1 997.18	
Ku-Ring-Gai	UDV	122 859	85	444	2 453 059	1 069 156	3 522 215	19.97	#	2 408.01	
Kyogle	RAL	9 537	3 584	1 084	2 411 615	1 533 900	3 945 515	252.87		1 415.04	
Lachlan	RAL	6 767	14 965	3 339	5 198 194	3 151 395	8 349 589	768.17		943.81	
Lake Macquarie	URV	204 166	648	1 275	12 604 838	2 610 664	15 215 502	61.74		2 047.58	
Lane Cove	UDM	35 959	11	93	717 974	258 157	976 131	19.97	#	2 775.88	
Leeton	RAV	11 645	1 167	873	2 859 500	974 162	3 833 662	245.56		1 115.88	
Lismore	URM	44 741	1 288	1 079	4 071 897	1 828 501	5 900 398	91.01		1 694.63	
Lithgow	URS	21 416	4 512	881	3 223 798	1 176 880	4 400 678	150.53		1 335.85	
Liverpool	UDV	204 594	305	839	6 695 550	2 064 723	8 760 273	32.73		2 460.93	

## Distribution to councils in New South Wales for 2016–17 (continued)

Council name	Classification	Population* Number	Council area sq km	Road length km	2016-17 actual entitlement					
					General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Liverpool Plains	RAL	7 759	5 082	1 195	2 085 287	1 278 894	3 364 181	268.76		1 070.20
Lockhart	RAM	3 025	2 896	1 488	2 122 655	1 490 502	3 613 157	701.70		1 001.68
Lord Howe Island	RTX	401	16	-	202 089	-	202 089	503.96		-
Maitland	URL	76 607	392	655	5 262 675	1 258 852	6 521 527	68.70		1 921.91
Mid-Coast	URL	90 975	10 053	3 239	11 610 688	4 998 164	16 608 852	127.63		1 543.12
Mid-Western Regional	RAS	24 191	8 753	1 910	3 591 650	2 231 064	5 822 714	148.47		1 168.10
Moree Plains	RAV	14 053	17 906	2 640	4 284 760	2 694 045	6 978 805	304.90		1 020.47
Mosman	UDM	30 496	9	86	608 897	228 554	837 451	19.97	#	2 657.60
Murray River	RAV	11 586	11 865	2 585	4 824 022	2 746 624	7 570 646	416.37		1 062.52
Murrumbidgee	RAM	4 084	6 880	1 590	2 531 352	1 519 614	4 050 966	619.82		955.73
Muswellbrook	RAV	17 209	3 405	576	2 304 619	869 262	3 173 881	133.92		1 509.14
Nambucca	RAV	19 598	1 491	671	2 450 587	1 133 275	3 583 862	125.04		1 688.93
Narrabri	RAV	13 799	13 014	2 146	4 369 454	2 200 353	6 569 807	316.65		1 025.33
Narrandera	RAL	5 920	4 116	1 479	2 828 691	1 473 005	4 301 696	477.82		995.95
Narromine	RAL	6 822	5 260	1 369	2 571 691	1 348 104	3 919 795	376.97		984.74
Newcastle	URV	161 225	187	771	10 008 274	1 743 199	11 751 473	62.08		2 260.96
North Sydney	UDL	72 618	11	143	1 449 925	460 893	1 910 818	19.97	#	3 223.03
Northern Beaches	UDV	266 247	254	815	5 316 011	2 137 482	7 453 493	19.97	#	2 622.68
Oberon	RAL	5 318	3 627	849	1 540 148	874 857	2 415 005	289.61		1 030.46
Orange	URM	41 809	284	443	3 157 514	1 068 341	4 225 855	75.52		2 411.60
Parkes	RAV	15 337	5 955	1 880	3 723 646	1 940 275	5 663 921	242.79		1 032.06
Parramatta	UDV	223 822	-	710	7 754 182	1 883 282	9 637 464	34.64		2 652.51
Penrith	UFV	197 922	405	1 010	8 152 954	2 252 033	10 404 987	41.19		2 229.74

## Distribution to councils in New South Wales for 2016-17 (continued)

New South Wales		2016-17 actual entitlement									
		Classification	Population <sup>a</sup> Number	Council area sq km	Road length km	General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Port Macquarie Hastings	URL	78 128	3 683	1 226	5 931 440	2 632 711	8 564 151	75.92		2 147.40	
Port Stephens	URL	70 447	859	646	5 064 502	1 160 251	6 224 753	71.89		1 796.05	
Queanbeyan-Palerang	URM	56 554	5 319	1 348	3 415 072	2 195 433	5 610 505	60.39		1 628.66	
Randwick	UDV	145 822	36	277	2 911 549	914 542	3 826 091	19.97	#	3 301.60	
Richmond Valley	URS	23 181	3 047	1 003	3 103 665	1 483 088	4 586 753	133.89		1 478.65	
Ryde	UDV	117 171	41	308	2 339 490	869 496	3 208 986	19.97	#	2 823.04	
Shellharbour	URL	69 714	147	377	4 009 256	829 144	4 838 400	57.51		2 199.32	
Shoalhaven	URL	100 147	4 567	1 569	8 338 545	3 101 916	11 440 461	83.26		1 977.00	
Silverton Village	RTX	57	-	-	31 286	-	31 286	548.88		-	
Singleton	URS	24 071	4 893	759	2 166 714	1 187 834	3 354 548	90.01		1 565.00	
Snowy Monaro Regional	URS	20 753	15 162	2 312	6 206 296	2 578 725	8 785 021	299.06		1 115.37	
Snowy Valleys	RAV	14 994	8 959	1 018	3 866 484	1 294 761	5 161 245	257.87		1 271.87	
Strathfield	UDM	40 125	14	86	801 155	269 149	1 070 304	19.97	#	3 129.64	
Sutherland	UDV	226 220	334	795	4 516 812	1 933 931	6 450 743	19.97	#	2 432.62	
Sydney	UCC	205 339	27	301	4 099 892	1 210 325	5 310 217	19.97	#	4 021.01	
Tamworth Regional	URM	61 121	9 884	2 927	6 208 675	3 891 350	10 100 025	101.58		1 329.47	
Temora	RAL	6 071	2 802	1 143	1 970 245	1 133 188	3 103 433	324.53		991.42	
Tenterfield	RAL	6 986	7 322	1 449	2 718 520	1 548 396	4 266 916	389.14		1 068.60	
Tibooburra	RTX	128	-	-	70 256	-	70 256	548.88		-	
Tweed	URL	92 460	1 307	1 097	7 258 099	2 657 410	9 915 509	78.50		2 422.43	
Upper Hunter	RAV	14 537	8 096	1 581	2 681 004	1 822 258	4 503 262	184.43		1 152.60	
Upper Lachlan	RAL	7 876	7 128	1 734	2 478 934	1 781 426	4 260 360	314.75		1 027.35	
Uralla	RAL	6 411	3 227	818	1 405 660	906 121	2 311 781	219.26		1 107.73	

## Distribution to councils in New South Wales for 2016–17 (continued)

New South Wales		2016-17 actual entitlement									
		Classification	Population <sup>a</sup> Number	Council area sq km	Road length km	General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Wagga Wagga	URM	63 428	4 826	2 105	6 567 389	3 030 018	9 597 407	103.54		1 439.44	
Waicha	RAM	3 064	6 261	820	1 147 135	898 927	2 046 062	374.39		1 096.25	
Walgett	RAL	6 791	22 309	1 814	3 893 463	1 833 766	5 727 229	573.33		1 010.90	
Warren	RAM	2 901	10 754	964	1 506 815	969 911	2 476 726	519.41		1 006.13	
Warrumbungle	RAL	9 728	12 371	2 276	4 135 257	2 297 028	6 432 285	425.09		1 009.24	
Waverley	UDL	72 699	9	113	1 451 542	420 724	1 872 266	19.97	#	3 723.22	
Weddin	RAM	3 701	3 409	968	1 444 889	945 138	2 390 027	390.41		976.38	
Wentworth	RAL	6 883	26 257	1 944	3 805 856	1 886 264	5 692 120	552.94		970.30	
Western Plains Regional	URV	51 007	7 536	2 478	7 479 264	3 095 864	10 575 128	146.63		1,249.34	
Willoughby	UDL	76 354	22	199	1 524 519	567 863	2 092 382	19.97	#	2 853.58	
Wingecarribee	URM	48 028	2 688	1 048	2 970 461	1 728 163	4 698 624	61.85		1 649.01	
Wollondilly	UFM	47 997	2 556	732	2 243 211	1 293 648	3 536 859	46.74		1 767.28	
Wollongong	URV	208 875	684	950	15 125 530	2 305 195	17 430 725	72.41		2 426.52	
Woolahra	UDM	59 307	12	140	1 184 151	418 526	1 602 677	19.97	#	2 989.47	
Yass Valley	RAV	16 564	3 998	1 059	1 489 453	1 260 332	2 749 785	89.92		1 190.12	

Notes to Table 41:

a – population estimates provided by the Local Government Grants Commission in each State and the Northern Territory.

b – Bayside Council was proclaimed as a result of an amalgamation of the former Botany Bay and Rockdale City Councils.

\* – Indigenous local governing body

# – minimum grant

Table 42 Distribution to councils in Victoria for 2016-17

Council name	Classification	Population* Number	Council area sq km	Road length km	2016-17 actual entitlement					
					General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Alpine Shire	RAV	12 211	4 788	597	2 417 375	1 026 048	3 443 423	197.97		1 718.67
Ararat Rural	RAV	11 028	4 211	2 362	3 407 037	2 241 048	5 648 085	308.94		948.79
Ballarat	URL	101 578	739	1 386	10 403 800	2 181 792	12 585 592	102.42		1 574.16
Banyule	UDV	126 232	62	547	3 336 238	898 358	4 234 596	26.43		1 642.34
Bass Coast	UFM	32 033	865	939	4 333 947	1 359 360	5 693 307	135.30		1 447.67
Baw	URM	46 762	4 031	1 982	6 110 574	2 659 298	8 769 872	130.67		1 341.72
Bayside	UDL	101 321	37	354	2 074 785	537 556	2 612 341	20.48	#	1 518.52
Benalla Rural	RAV	13 496	2 353	1 348	2 506 983	1 429 667	3 936 650	185.76		1 060.58
Boroondara	UDV	174 787	60	562	3 579 256	860 884	4 440 140	20.48	#	1 531.82
Borough of Queenscliffe	UFS	3 017	9	43	197 150	54 228	251 378	65.35		1 261.12
Brimbank	UDV	199 432	123	894	11 672 696	1 600 263	13 272 959	58.53		1 790.00
Buloke	RAL	5 952	8 000	5 313	3 423 398	2 310 748	5 734 146	575.17		434.92
Campaspe	URM	36 747	4 519	4 035	7 259 154	3 964 745	11 223 899	197.54		982.59
Cardinia	UFL	90 884	1 282	1 482	7 904 449	2 382 366	10 286 815	86.97		1 607.53
Casey	UDV	292 211	409	1 563	15 752 287	2 211 019	17 963 306	53.91		1 414.60
Central Goldfields	RAV	12 575	1 533	1 271	2 549 288	1 119 635	3 668 923	202.73		880.91
Colac Otway Shire	URS	20 255	3 438	1 623	3 585 444	2 503 835	6 089 279	177.02		1 542.72
Corangamite	RAV	15 671	4 408	2 370	3 907 782	3 272 970	7 180 752	249.36		1 381.00
Darebin	UDV	150 881	54	509	3 737 384	844 620	4 582 004	24.77		1 659.37
East Gippsland	URM	43 995	20 942	2 951	9 805 991	4 413 993	14 219 984	222.89		1 495.76
Frankston	UDV	135 971	130	702	7 380 555	1 057 342	8 437 897	54.28		1 506.19
Gannawarra	RAV	10 019	3 735	2 272	3 230 538	1 899 445	5 129 983	322.44		836.02
Glen Eira	UDV	146 303	39	433	2 995 789	612 820	3 608 609	20.48	#	1 415.29

## Distribution to councils in Victoria for 2016–17 (continued)

Council name	Classification	Population <sup>a</sup> Number	Council area sq km	Road length km	2016-17 actual entitlement					
					General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Glenelg	RAV	19 158	6 218	2 631	4 153 968	3 242 305	7 396 273	216.83		1 232.35
Golden Plains	RAV	20 809	2 703	1 839	3 341 519	1 906 396	5 247 915	160.58		1 036.65
Greater Bendigo	URL	108 437	3 000	3 096	12 257 237	3 219 467	15 476 704	113.04		1 039.88
Greater Dandenong	UDV	152 739	130	687	9 247 273	1 414 970	10 662 243	60.54		2 059.64
Greater Geelong	URV	229 420	1 248	2 118	16 526 494	3 109 697	19 636 191	72.04		1 468.22
Greater Shepparton	URM	63 366	2 422	2 517	8 795 851	2 922 977	11 718 828	138.81		1 161.29
Hepburn	RAV	14 794	1 473	1 425	2 954 546	1 406 494	4 361 040	199.71		987.01
Hindmarsh	RAL	5 494	7 524	3 177	2 574 473	1 527 573	4 102 046	468.60		480.82
Hobsons Bay	UDL	92 761	64	425	1 900 072	694 133	2 594 205	20.48	#	1 633.25
Horsham Rural	RAV	19 774	4 267	2 975	3 828 575	2 052 061	5 880 636	193.62		689.77
Hume	UFV	194 006	504	1 191	11 389 157	2 161 129	13 550 286	58.71		1 814.55
Indigo	RAV	15 431	2 040	1 568	2 768 598	1 555 560	4 324 158	179.42		992.07
Kingston	UDV	154 477	91	596	3 163 571	1 195 741	4 359 312	20.48	#	2 006.28
Knox	UDV	155 681	114	721	6 062 027	1 042 155	7 104 182	38.94		1 445.43
Latrobe	URL	73 548	1 426	1 568	9 148 148	2 412 774	11 560 922	124.38		1 538.76
Loddon	RAL	7 283	6 696	4 722	4 609 711	3 443 496	8 053 207	632.94		729.25
Macedon Ranges	URM	45 308	1 748	1 661	4 787 381	1 990 616	6 777 997	105.66		1 198.44
Manningham	UDV	119 442	113	599	2 446 147	774 977	3 221 124	20.48	#	1 293.78
Mansfield	RAL	8 556	3 844	804	1 935 677	878 102	2 813 779	226.24		1 092.17
Maribymong	UDL	83 515	31	305	2 300 022	510 639	2 810 661	27.54		1 674.23
Maroondah	UDL	112 310	61	476	4 195 403	728 162	4 923 565	37.36		1 629.75
Melbourne	UCC	128 980	37	214	2 639 068	673 684	3 312 752	20.48	#	3 148.06
Melton	UFV	132 752	528	1 024	11 889 795	1 696 682	13 586 477	89.56		1 656.92

## Distribution to councils in Victoria for 2016-17 (continued)

Council name	Classification	Population <sup>a</sup> Number	Council area sq km	Road length km	2016-17 actual entitlement					
					General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Mildura Rural	URM	53 015	22 082	5 097	10 156 007	3 729 120	13 885 127	191.57		731.63
Mitchell	URM	39 143	2 862	1 570	5 121 629	1 736 984	6 858 613	130.84		1 106.36
Moira	URS	28 820	4 047	3 654	6 393 734	3 632 737	10 026 471	221.85		994.18
Monash	UDV	187 286	82	736	3 835 242	1 120 808	4 956 050	20.48	#	1 522.84
Moonee Valley	UDV	119 583	43	418	2 448 482	657 315	3 105 797	20.48	#	1 572.52
Moorabool	URM	31 496	2 111	1 503	4 191 258	1 776 076	5 967 334	133.07		1 181.69
Moreland	UDV	166 770	51	519	4 669 927	894 776	5 564 703	28.00		1 724.04
Mornington Peninsula	UFV	155 015	724	1 707	3 862 596	2 324 495	6 187 091	24.92		1 961.74
Mount Alexander	RAV	18 130	1 530	1 449	2 976 016	1 557 064	4 533 080	164.15		1 074.58
Moyne	RAV	16 229	5 482	2 744	3 831 830	3 744 374	7 576 204	236.11		1 364.57
Murrindindi	RAV	13 693	3 879	1 202	2 805 684	1 548 062	4 353 746	204.90		1 287.91
Nillumbik	UFM	62 602	432	771	2 117 903	1 090 603	3 208 506	33.83		1 414.53
Northern Grampians	RAV	11 509	5 728	3 350	4 164 312	2 611 814	6 776 126	361.83		779.65
Port Phillip	UDL	107 127	21	214	2 193 331	400 294	2 593 625	20.48	#	1 870.53
Pyrenees	RAL	6 822	3 435	2 028	2 964 666	2 001 951	4 966 617	434.57		987.16
South Gippsland	URS	27 706	3 297	2 088	5 450 123	3 463 706	8 913 829	196.71		1 658.86
Southern Grampians	RAV	15 751	6 655	2 761	3 947 526	2 847 262	6 794 788	250.62		1 031.24
Stonnington	UDL	107 941	26	260	2 210 138	417 336	2 627 474	20.48	#	1 605.14
Strathbogie	RAV	9 826	3 303	2 243	2 939 734	2 064 455	5 004 189	299.18		920.40
Surf Coast Shire	UFM	28 941	1 553	1 106	2 320 849	1 426 076	3 746 925	80.19		1 289.40
Swan Hill Rural	URS	20 409	6 115	3 492	4 271 037	2 025 346	6 296 383	209.27		580.00
Towong	RAL	5 762	6 675	1 183	2 320 962	1 407 103	3 728 065	402.80		1 189.44
Wangaratta Rural	URS	27 065	3 645	1 949	4 351 927	2 252 524	6 604 451	160.80		1 155.73

## Distribution to councils in Victoria for 2016–17 (continued)

Victoria		2016-17 actual entitlement									
		Classification	Population <sup>a</sup> Number	Council area sq km	Road length km	General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Warrambool	URM	33 644	121	329	2 961 510	626 411	3 587 921	88.02		1 903.98	
Wellington	URM	41 965	10 817	3 021	7 793 771	4 379 848	12 173 619	185.72		1 449.80	
West Wimmera	RAM	3 879	9 108	2 809	2 781 213	2 172 863	4 954 076	716.99		773.54	
Whitehorse	UDV	165 557	64	598	3 390 330	920 704	4 311 034	20.48	#	1 539.64	
Whittlesea	UFV	195 397	490	1 245	11 538 476	2 013 272	13 551 748	59.05		1 617.09	
Wodonga	URM	38 559	433	500	4 126 178	847 555	4 973 733	107.01		1 695.11	
Wyndham	UFV	209 847	542	1 309	13 280 734	1 950 257	15 230 991	63.29		1 489.88	
Yarra	UDL	89 151	20	215	1 824 976	372 869	2 197 845	20.48	#	1 734.27	
Yarra Ranges	UFV	150 661	2 466	1 747	10 550 640	3 177 060	13 727 700	70.03		1 818.58	
Yarriambiack	RAL	6 759	7 326	4 808	2 977 600	1 878 009	4 855 609	440.54		390.60	

Notes to Table 42:

a – population estimates provided by the Local Government Grants Commission in each State and the Northern Territory.

# – minimum grant

Table 43 Distribution to councils in Queensland for 2016-17

Queensland		2016-17 actual entitlement										
Council name	Classification	Population* Number	Council area sq km	Road length km	General purpose		Local road		Total	General purpose		Local road
					\$	\$	\$	\$		\$ per capita	#	
Aurukun*	RTM	1,424	7,347	85	1 789 105	61 929	1 851 034	1 256.39		728.58		
Balonne	RAM	4,826	31,106	2,605	3 487 682	1 499 729	4 987 411	722.69		575.71		
Banana	RAV	15,209	28,546	4,002	5 266 577	2 383 955	7 650 532	346.28		595.69		
Barcaldine	RTM	3,342	53,521	2,986	5 130 705	1 696 612	6 827 317	1 535.22		568.19		
Barcoo	RTX	357	61,825	1,666	2 730 921	931 138	3 662 059	7 649.64		558.91		
Blackall-Tambo	RTM	2,238	30,389	1,843	2 780 836	1 048 970	3 829 806	1 242.55		569.16		
Boulia	RTS	490	60,956	1,329	2 202 574	744 891	2 947 465	4 495.05		560.49		
Brisbane	UCC	1,162,186	1,338	5,679	23 201 855	15 082 855	38 284 710	19.96	#	2 655.90		
Bullooh	RTX	396	73,763	1,990	4 893 590	1 111 911	6 005 501	12 357.55		558.75		
Bundaberg	URL	94,380	6,436	3,009	5 002 168	2 643 253	7 645 421	53.00		878.45		
Burdekin	RAV	17,831	5,043	1,146	2 578 614	820 892	3 399 506	144.61		716.31		
Burke	RTX	562	40,039	713	2 555 798	402 698	2 958 496	4 547.68		564.79		
Cairns	URV	160,285	1,688	1,316	3 199 926	2 376 777	5 576 703	19.96	#	1 806.06		
Carpentaria	RTM	2,262	64,125	1,637	3 644 083	934 534	4 578 617	1 611.00		570.88		
Cassowary Coast	URS	28,689	4,685	1,218	2 313 397	972 353	3 285 750	80.64		798.32		
Central Highlands	URS	31,454	59,835	4,589	5 647 263	2 877 379	8 524 642	179.54		627.02		
Charters Towers	RAV	12,433	68,374	3,247	4 054 506	1 935 165	5 989 671	326.11		595.99		
Cherbourg*	RTM	1,291	32	70	527 679	52 212	579 891	408.74		745.89		
Cloncurry	RTL	3,351	47,983	1,571	4 500 134	908 962	5 409 096	1 342.92		578.59		
Cook	RTL	4,388	105,782	2,927	7 405 606	1 674 496	9 080 102	1 687.70		572.09		
Croydon	RTX	326	29,487	1,088	2 862 252	609 042	3 471 294	8 779.91		559.78		
Diamantina	RTX	288	94,667	1,061	2 370 551	593 622	2 964 173	8 231.08		559.49		
Doomadgee*	RTM	1,399	1,835	113	1 190 948	77 259	1 268 207	851.29		683.71		

## Distribution to councils in Queensland for 2016–17 (continued)

Queensland		2016-17 actual entitlement									
		Classification	Population* Number	Council area sq km	Road length km	General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Douglas	RAV	11,661	2,427	372	948 527	326 710	1 275 237	81.34		878.25	
Etheridge	RTS	926	39,201	1,757	3 733 215	987 635	4 720 850	4 031.55		562.11	
Flinders	RTM	1,792	41,193	1,992	4 878 393	1 127 344	6 005 737	2 722.32		565.94	
Fraser Coast	URL	101,977	7,102	2,594	4 127 394	2 489 996	6 617 390	40.47		959.91	
Gladstone	URM	67,464	10,466	2,590	5 236 915	2 133 897	7 370 812	77.63		823.90	
Gold Coast	URV	555,608	1,332	3,131	11 092 146	7 442 291	18 534 437	19.96	#	2 376.97	
Goondiwindi	RAV	11,022	19,256	2,483	4 262 845	1 495 367	5 758 212	386.76		602.24	
Gympie	URM	48,681	6,884	2,278	3 245 828	1 767 534	5 013 362	66.68		775.91	
Hinchinbrook	RAV	11,352	2,801	693	1 457 148	502 244	1 959 392	128.36		724.74	
Hope Vale*	RTS	1,125	1,105	132	930 548	85 026	1 015 574	827.15		644.14	
Ipswich	URV	193,015	1,088	1,749	3 853 347	2 953 565	6 806 912	19.96	#	1 688.72	
Isaac	URS	24,267	58,720	3,254	2 850 845	2 060 451	4 911 296	117.48		633.21	
Kowanyama*	RTS	1,142	2,543	352	1 374 396	207 931	1 582 327	1 203.50		590.71	
Livingstone	UFM	37,001	11,752	1,415	2 462 061	1 167 285	3 629 346	66.54		824.94	
Lockhart River*	RTS	548	3,578	167	1 469 975	98 591	1 568 566	2 682.44		590.37	
Lockyer Valley	URM	38,798	2,269	1,428	2 879 997	1 192 956	4 072 953	74.23		835.40	
Logan	URV	308,681	958	2,334	6 162 501	4 465 702	10 628 203	19.96	#	1 913.33	
Longreach	RTL	4,092	40,572	2,748	5 705 860	1 571 808	7 277 668	1 394.39		571.98	
Mackay	URL	123,724	7,601	2,514	3 549 282	2 668 683	6 217 965	28.69		1 061.53	
Mapoon*	RTX	294	548	45	1 033 481	28 068	1 061 549	3 515.24		623.73	
Maranoa	RAV	13,882	58,711	5,857	13 384 055	3 402 832	16 786 887	965.52		580.99	
Mareeba	URS	21,833	53,504	2,308	5 095 809	1 508 838	6 604 647	233.40		653.74	
McKinlay	RTS	1,062	40,734	1,633	4 253 891	919 998	5 173 889	4 005.55		563.38	

## Distribution to councils in Queensland for 2016-17 (continued)

Queensland	2016-17 actual entitlement									
	Council name	Classification	Population* Number	Council area sq km	Road length km	General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #
Moreton Bay	URV	425,482	2,033	3,496	8 494 314	6 310 702	14 805 016	19.96	#	1 805.12
Morningside*	RTM	1,225	1,244	158	1 443 899	100 526	1 544 425	1 178.69		636.24
Mount Isa	RTL	22,517	43,188	2,033	4 246 047	1 362 759	5 608 806	188.57		670.32
Murweh	RTL	4,626	40,698	2,761	4 882 252	1 584 524	6 466 776	1 055.39		573.89
Napranum*	RTM	982	1,998	171	1 005 789	105 065	1 110 854	1 045.52		614.42
Noosa	URM	53,515	870	870	1 068 372	1 033 275	2 101 647	19.96	#	1 187.67
North Burnett	RAV	10,292	19,667	4,178	8 879 796	2 431 498	11 311 294	862.79		581.98
Northern Peninsula Area	RTL	2,714	1,057	363	3 618 300	229 674	3 847 974	1 333.20		632.71
Palm Island	RTM	2,671	71	42	1 126 170	50 780	1 176 950	421.63		1 209.05
Paroo	RTM	1,841	47,616	2,249	3 636 180	1 270 921	4 907 101	1 975.11		565.10
Pompuraaw*	RTS	743	4,429	566	1 268 843	322 801	1 591 644	1 707.73		570.32
Quilpie	RTS	948	67,423	2,080	3 654 646	1 167 678	4 822 324	3 855.11		561.38
Redland	URV	149,989	536	1,061	2 994 377	2 129 203	5 123 580	19.96	#	2 006.79
Richmond	RTS	832	26,580	1,296	3 030 377	730 145	3 760 522	3 642.28		563.38
Rockhampton	URL	83,653	6,560	1,995	5 266 189	1 988 716	7 234 905	62.95		986.83
Scenic Rim	UFM	39,757	4,248	1,781	1 565 321	1 399 311	2 964 632	39.37		785.69
Somerset	UFS	24,007	5,373	1,882	2 061 088	1 293 980	3 355 068	85.85		687.56
South Burnett	URM	32,575	8,382	3,277	4 647 363	2 158 476	6 805 839	142.67		658.67
Southern Downs	URM	35,798	7,112	3,049	4 679 332	2 063 991	6 743 323	130.93		676.94
Sunshine Coast	URV	287,539	2,251	2,971	5 740 422	4 603 458	10 343 880	19.96	#	1 549.46
Tablelands	URS	24,997	11,289	1,845	4 221 641	1 283 536	5 505 177	168.89		695.68
Toowoomba	URV	163,232	12,958	6,597	8 377 623	5 346 982	13 724 605	51.32		810.52
Torres	RTL	3,665	883	299	2 900 285	204 050	3 104 335	791.35		682.44
Torres Strait Island*	RTL	4,635	489	369	9 795 448	252 970	10 048 418	2 113.37		685.56

## Distribution to councils in Queensland for 2016–17 (continued)

Queensland		2016-17 actual entitlement									
		Classification	Population <sup>a</sup> Number	Council area sq km	Road length km	General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Townsville	URV	193,946	3,727	1,725	3 871 933	2 949 754	6 821 687	19.96	#	1 710.00	
Western Downs	URM	33,799	37,938	7,527	12 828 872	4 537 040	17 365 912	379.56		602.77	
Whitsunday	URM	34,312	23,804	1,841	3 354 789	1 376 860	4 731 649	97.77		747.89	
Winton	RTM	1,359	53,814	2,515	4 023 189	1 414 061	5 437 250	2 960.40		562.25	
Woorabinda*	RTS	1,001	390	56	478 744	41 593	520 337	478.27		742.73	
Wujal Wujal*	RTX	296	11	18	438 834	13 057	451 891	1 482.55		725.39	
Yarrabah*	RTM	2,686	159	56	826 865	58 891	885 756	307.84		1 051.63	

Notes to Table 43:

a – population estimates provided by the Local Government Grants Commission in each State and the Northern Territory.

\* – Indigenous local governing body

# – minimum grant

Table 44 Distribution to councils in Western Australia for 2016-17

Council name		Classification	Population <sup>a</sup>		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		\$ per km	SW	
Albany		URM	37 233		4 315	1 598	2 055 330	1 824 119	3 879 449	55.20	#	1 141.50	SW					
Armadale		UFM	80 287		560	699	1 605 172	1 274 908	2 880 080	19.99	#	1 823.90	SW					
Ashburton		RTL	10 951		105 647	1 815	3 173 109	1 141 751	4 314 860	289.76	#	629.06	SW					
Augusta Margaret River		RSG	13 807		2 370	905	265 268	1 380 577	1 645 845	19.21	#	1 525.50	SW					
Bassendean		UDS	16 101		11	95	309 342	2 15 861	525 203	19.21	#	2 272.22						
Bayswater		UDM	70 472		33	340	1 382 767	751 944	2 134 711	19.62	#	2 211.60						
Belmont		UDM	41 344		40	227	794 324	515 137	1 309 461	19.21	#	2 269.33						
Beverley		RAS	1 582		2 310	697	788 505	601 058	1 389 563	498.42	#	862.35	SW					
Boddington		RAS	2 537		1 900	265	137 945	200 643	338 588	54.37	#	757.14						
Boypup Brook		RAS	1 625		2 838	1 020	482 377	626 999	1 109 376	296.85	#	614.70						
Bridgetown Greenbushes		RAM	4 662		1 691	701	1 158 593	1 312 937	2 471 530	248.52	#	1 872.95	SW					
Brookton		RAS	1 008		1 626	532	582 270	325 715	907 985	577.65	#	612.25						
Broome		RTL	17 308		56 000	573	1 862 093	949 938	2 812 031	107.59	#	1 657.83	SW					
Broomehill-Tambellup		RAS	1 134		2 810	971	1 115 937	603 010	1 718 947	984.07	#	621.02						
Bruce Rock		RAS	939		2 772	1 173	1 454 083	883 417	2 337 500	1 548.54	#	753.13	SW					
Bunbury		URM	34 467		61	321	662 199	832 985	1 495 184	19.21	#	2 594.97						
Bussetton		URM	36 335		1 454	1 094	698 089	1 783 930	2 482 019	19.21	#	1 630.65	SW					
Cambridge		UDS	28 250		22	173	542 755	366 864	909 619	19.21	#	2 120.60						
Canning		UDL	98 355		65	576	1 889 651	1 263 556	3 153 207	19.21	#	2 193.67						
Capel		URS	17 316		554	492	989 256	640 924	1 630 180	57.13	#	1 302.69	SW					
Carnamah		RAS	535		2 835	643	822 502	380 880	1 203 382	1 537.39	#	592.35						
Carnarvon		RAL	6 098		53 000	1 526	3 570 566	1 132 599	4 703 165	585.53	#	742.20						

## Distribution to councils in Western Australia for 2016–17 (continued)

Council name		Classification	Population <sup>a</sup> Number	Council area sq km	Road length km	2016-17 actual entitlement						Special Works included in per km SW
						General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km	
Chapman Valley	RAS	1 229	4 007	863	325 403	489 083	814 486	264.77		566.72		
Chittering	RAL	5 301	1 220	434	697 830	563 417	1 261 247	131.64		1 298.20	SW	
Claremont	UDS	10 706	5	47	205 690	100 295	305 985	19.21	#	2 133.94		
Cockburn	UDL	107 645	148	821	2 068 136	1 517 073	3 585 209	19.21	#	1 847.84		
Collie	RAL	9 656	1 685	384	1 151 355	452 425	1 603 780	119.24		1 178.19		
Coolgardie	RTL	4 112	30 400	847	515 286	489 849	1 005 135	125.31		578.33		
Coorow	RAS	1 053	4 137	855	802 766	525 952	1 328 718	762.36		615.15		
Corrigin	RAS	1 083	3 095	1 058	1 022 794	651 745	1 674 539	944.41		616.02		
Cottesloe	UDS	8 602	4	47	165 267	100 256	265 523	19.21	#	2 133.11		
Cranbrook	RAS	1 071	3 390	1 015	643 866	605 778	1 249 644	601.18		596.83		
Cuballing	RAS	897	1 250	555	540 400	314 238	854 638	602.45		566.19		
Cue	RTX	271	13 716	740	1 234 646	411 596	1 646 242	4 555.89		556.21		
Cunderdin	RAS	1 325	1 872	783	849 121	484 822	1 333 943	640.85		619.19		
Dalwallinu	RAS	1 284	7 187	1 918	1 387 548	1 094 194	2 481 742	1 080.64		570.49		
Dandaragan	RAM	3 253	6 934	1 195	722 155	829 669	1 551 824	222.00		694.28		
Dardanup	RAV	14 233	518	407	851 908	471 542	1 323 450	59.85		1 158.58		
Denmark	RAL	5 886	1 842	622	566 576	495 339	1 061 915	96.26		796.36	SW	
Derby West Kimberley	RTL	8 903	102 706	1 779	4 134 628	1 064 926	5 199 554	464.41		598.61	SW	
Donnybrook Balingup	RAL	5 849	1 541	670	1 188 529	629 947	1 818 476	203.20		940.22		
Dowerin	RAS	679	1 867	939	806 297	516 590	1 322 887	1 187.48		550.15		
Dumbleyung	RAS	581	2 553	989	901 960	558 183	1 460 143	1 552.43		564.39		
Dundas	RTS	1 127	92 725	627	1 072 958	356 115	1 429 073	952.05		567.97		

## Distribution to councils in Western Australia for 2016-17 (continued)

Council name		Classification	Population <sup>a</sup>		Council area sq km	Road length km	General purpose		Local road		Total	General purpose		Local road	Special Works included in per km
			Number				\$		\$			\$ per capita	#		
Western Australia		2016-17 actual entitlement													
East Fremantle		UDS	7 743	37	3	37	148 763	70 926	219 689	19.21	#	1 916.92			
East Pilbara		RTL	12 197	3 110	371 696	3 110	2 640 043	2 289 995	4 930 038	216.45	#	736.33	SW		
Esperance		RAV	14 478	4 259	44 500	4 259	2 019 601	2 716 783	4 736 384	139.49	#	637.89			
Exmouth		RTM	2 591	286	6 261	286	1 425 229	400 476	1 825 705	550.07	#	1 400.27			
Fremantle		UDM	31 046	177	19	177	596 473	384 980	981 453	19.21	#	2 175.03			
Gingin		RAL	5 450	866	3 325	866	850 539	1 005 944	1 856 483	156.06	#	1 161.60	SW		
Gnowangerup		RAS	1 289	1 011	5 000	1 011	642 408	598 983	1 241 391	498.38	#	592.47			
Goomalling		RAS	985	588	1 845	588	348 497	347 428	695 925	353.80	#	590.86			
Gosnells		UDV	125 051	761	127	761	2 402 551	1 613 548	4 016 099	19.21	#	2 120.30	SW		
Greater Geraldton		URM	41 223	2 083	9 929	2 083	3 696 572	1 903 888	5 600 460	89.67	#	914.01			
Halls Creek		RTL	3 930	1 420	143 025	1 420	3 330 035	1 049 720	4 379 755	847.34	#	739.24	SW		
Harvey		URS	27 288	848	1 766	848	1 559 259	931 088	2 490 347	57.14	#	1 097.98			
Irwin		RAM	3 753	445	2 223	445	198 221	320 635	518 856	52.82	#	720.53			
Jerramungup		RAS	1 079	1 080	6 540	1 080	587 309	592 314	1 179 623	544.31	#	548.44			
Joondalup		UDV	60 830	613	349	613	1 168 701	1 070 655	2 239 356	19.21	#	1 746.58			
Kalamunda		UFM	167 891	1 010	99	1 010	3 225 617	2 122 680	5 348 297	19.21	#	2 101.66			
Kalgoorlie-Boulder		URM	33 062	1 370	95 229	1 370	755 280	1 634 441	2 389 721	22.84	#	1 193.02	SW		
Karratha		URS	26 228	599	15 196	599	1 390 183	837 502	2 227 685	53.00	#	1 398.17			
Katanning		RAM	4 950	692	1 523	692	1 424 182	471 711	1 895 893	327.40	#	681.66			
Kellerberrin		RAS	1 219	945	1 852	945	1 261 651	543 735	1 805 386	1 034.99	#	575.38			
Kent		RAS	521	1 324	6 552	1 324	556 200	688 917	1 245 117	1 067.56	#	520.33			
Kojoonup		RAS	1 999	1 129	2 937	1 129	727 026	643 755	1 370 781	363.69	#	570.20			

## Distribution to councils in Western Australia for 2016–17 (continued)

Council name		Classification	Population <sup>a</sup> Number	Council area sq km	Road length km	2016-17 actual entitlement				Special Works included in per km SW	
						General purpose \$	Local road \$	Total \$	General purpose \$ per capita		Min #
Kondinin	RAS	1 055	7 340	1 336	908 291	742 177	1 650 468	860.94		555.52	
Koorda	RAS	435	2 662	1 067	1 151 692	600 122	1 751 814	2 647.57		562.44	
Kulin	RAS	799	4 790	1 436	854 464	801 136	1 655 600	1 069.42		557.89	
Kwinana	UFM	37 149	118	402	713 727	713 589	1 427 316	19.21	#	1 775.10	
Lake Grace	RAS	1 314	10 747	2 281	987 432	1 221 631	2 209 063	751.47		535.57	
Laverton	RTM	1 216	183 198	4 209	1 495 780	890 954	2 386 734	1 230.08		211.68	SW
Leonora	RTM	2 476	31 743	1 226	584 889	593 271	1 178 160	236.22		483.91	
Mandurah	UFL	83 931	174	699	1 612 529	1 248 539	2 861 068	19.21	#	1 786.18	
Manjimup	RAL	9 404	7 028	1 303	2 583 920	1 729 294	4 313 214	274.77		1 327.16	SW
Meekatharra	RTM	1 376	100 733	2 420	2 307 485	1 176 451	3 483 936	1 676.95		486.14	
Melville	UDL	106 655	53	525	2 049 116	1 055 522	3 104 638	19.21	#	2 010.52	
Menzies	RTS	378	128 353	2 066	1 653 792	880 458	2 534 250	4 375.11		426.17	SW
Merredin	RAM	3 291	3 372	1 291	1 435 807	803 856	2 239 663	436.28		622.66	
Mingenew	RAS	473	1 927	451	263 205	511 268	774 473	556.46		1 133.63	SW
Moora	RAM	2 539	3 788	935	763 439	704 886	1 468 325	300.68		753.89	
Morawa	RAS	879	3 528	970	964 374	538 026	1 502 400	1 097.13		554.67	
Mosman Park	UDS	9 547	4	43	183 423	80 121	263 544	19.21	#	1 863.28	
Mount Magnet	RTS	643	13 877	582	1 284 153	301 527	1 585 680	1 997.13		518.09	
Mount Marshall	RAS	449	10 134	1 676	1 342 887	814 309	2 157 196	2 990.84		485.86	
Mukinbudin	RAS	468	3 414	905	1 079 033	504 830	1 583 863	2 305.63		557.82	
Mundaring	UFM	40 015	644	669	1 260 973	1 067 161	2 328 134	31.51		1 595.16	SW
Murchison	RTX	114	49 500	1 647	2 505 740	847 022	3 352 762	21 980.18		514.28	

## Distribution to councils in Western Australia for 2016-17 (continued)

Council name		Classification	Population <sup>a</sup> Number	Council area sq km	Road length km	2016-17 actual entitlement				Special Works included in per km	
						General purpose \$	Local road \$	Total \$	General purpose \$ per capita		Min #
Murray	RAV	17 262	1 821	689	876 479	800 133	1 676 612	50.78		1 161.30	
Nannup	RAS	1 307	2 953	489	808 079	715 928	1 524 007	618.27		1 464.07	SW
Narembeen	RAS	795	3 821	1 409	1 132 642	759 202	1 891 844	1 424.71		538.82	
Narrogin	RAL	5 358	1 618	733	1 623 736	562 008	2 185 744	303.05		766.72	
Nedlands	UDS	23 084	21	141	443 503	281 877	725 380	19.21	#	1 999.13	
Ngaanyatjaraku	RTM	1 420	159 948	1 320	3 120 554	1 135 764	4 256 318	2 197.57		860.43	SW
Northam	RAV	11 555	1 443	752	2 473 104	753 335	3 226 439	214.03		1 001.78	
Northampton	RAM	3 253	12 499	1 071	780 396	675 107	1 455 503	239.90		630.35	
Nungarin	RAS	218	1 145	510	882 424	288 944	1 171 368	4 047.82		566.56	
Peppermint Grove	UDS	1 646	2	9	31 624	19 643	51 267	19.21	#	2 182.56	
Perenjori	RAS	895	8 214	1 438	1 006 892	802 418	1 809 310	1 125.02		558.01	
Perth	UCC	21 092	9	93	459 584	461 962	921 546	21.79		4 967.33	
Pingelly	RAS	1 188	1 223	565	791 752	337 049	1 128 801	666.46		596.55	
Plantagenet	RAL	5 185	4 792	1 311	697 155	845 831	1 542 986	134.46		645.18	
Port Hedland	RTL	16 483	11 844	458	1 122 366	723 665	1 846 031	68.09		1 580.05	SW
Quairading	RAS	1 044	2 000	863	1 081 689	533 957	1 615 646	1 036.10		618.72	
Ravensthorpe	RAS	2 263	12 872	1 227	967 984	811 425	1 779 409	427.74		661.31	SW
Rockingham	UFV	128 962	261	996	2 477 691	1 838 897	4 316 588	19.21	#	1 846.28	
Sandstone	RTX	105	28 218	930	1 443 376	428 139	1 871 515	13 746.44		460.36	
Serpentine Jarrahdale	UFS	24 108	905	706	1 530 021	1 829 998	3 360 019	63.47		2 592.07	SW
Shark Bay	RTS	951	25 000	571	1 398 370	414 262	1 812 632	1 470.42		725.50	
South Perth	UDM	46 244	20	192	888 466	394 913	1 283 379	19.21	#	2 056.84	

## Distribution to councils in Western Australia for 2016–17 (continued)

Council name		Classification	Population <sup>a</sup> Number	Council area sq km	Road length km	2016-17 actual entitlement						Special Works included in per km SW
						General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km	
Stirling	UDV	227 566	100	1 029	4 372 127	2 088 222	6 460 349	19.21	#	2 029.37		
Subiaco	UDS	20 423	7	89	338 026	180 636	518 662	19.21	#	2 029.62		
Swan	UFV	133 303	1 043	1 462	2 532 273	2 513 348	5 045 621	19.21	#	1 719.12	SW	
Tammin	RAS	406	1 087	495	730 618	278 698	1 009 316	1 799.55		563.03		
Three Springs	RAS	614	2 629	675	497 258	423 911	921 169	809.87		628.02		
Toodyay	RAM	4 544	1 683	626	909 130	526 728	1 435 858	200.07		841.42		
Trayning	RAS	326	1 632	752	998 883	437 409	1 436 292	3 064.06		581.66		
Upper Gascoyne	RTX	264	46 602	1 829	2 583 233	838 715	3 421 948	9 784.97		458.56		
Victoria Park	UDM	38 450	18	160	738 723	340 180	1 078 903	19.21	#	2 126.13		
Victoria Plains	RAS	914	2 563	808	428 699	517 075	945 774	469.04		639.94		
Vincent	UDS	37 461	11	146	719 721	348 799	1 068 520	19.21	#	2 389.03		
Wagin	RAS	1 920	1 950	782	869 588	464 134	1 333 722	452.91		593.52		
Wandering	RAS	434	1 955	356	252 382	352 208	604 590	581.53		989.35	SW	
Wanneroo	UFV	188 785	688	1 404	3 627 044	2 671 748	6 298 792	19.21	#	1 902.95		
Waroona	RAM	4 055	835	343	879 543	376 510	1 256 053	216.90		1 097.70		
West Arthur	RAS	904	2 850	858	404 026	815 239	1 219 265	446.93		950.16	SW	
Westonia	RAS	259	3 268	881	694 008	483 212	1 177 220	2 679.57		548.48		
Wickepin	RAS	718	1 989	873	938 690	490 054	1 428 744	1 307.37		561.34		
Williams	RAS	937	2 295	473	118 470	293 674	412 144	126.44		620.88		
Wiluna	RTS	1 156	184 000	1 908	1 598 714	815 821	2 414 535	1 382.97		427.58	SW	
Wongan-Ballidu	RAS	1 480	3 368	1 320	1 115 866	755 856	1 871 722	753.96		572.62		
Woodanilling	RAS	422	1 126	523	498 786	292 901	791 687	1 181.96		560.04		

## Distribution to councils in Western Australia for 2016-17 (continued)

Western Australia		2016-17 actual entitlement									
		Classification	Population <sup>a</sup> Number	Council area sq km	Road length km	General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Wyalkatchem	RAS	525	1 743	724	964 797	423 617	1 388 414	1 837.71		585.11	
Wyndham East Kimberley	RTL	8 660	121 189	1 125	2 682 188	1 228 393	3 910 581	309.72		1 091.90	SW
Yalgoo	RTX	402	33 258	1 133	1 669 043	547 411	2 216 454	4 151.85		483.15	
Yilgarn	RAS	1 552	30 720	2 698	733 072	1 281 855	2 014 927	472.34		475.11	
York	RAM	3 460	2 010	667	814 524	592 072	1 406 596	235.41		887.66	

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

sw – special works included in local roads totals

Table 45 Distribution to councils in South Australia for 2016–17

Council name		Classification	Population <sup>a</sup>	Council area sq km	Road length km	2016-17 actual entitlement					Special Works included in per km
						General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	
Adelaide	UCC	22 690	15	123	462 393	241 084	703 477	20.38	#	1960.03	
Adelaide Hills	UFM	39 873	792	1 001	812 808	683 709	1 496 517	20.38	#	683.03	
Alexandrina	UFS	25 136	1 826	1 372	659 650	565 160	1 224 810	26.24		411.92	
Anangu Pitjantjatjara*	RTM	2 772	-	3 185	1 139 274	145 356	1 284 630	410.99		45.64	
Barossa	UFS	22 964	891	974	547 764	792 623	1 340 387	23.85		813.78	SW
Barunga Westb	RAM	2 453	1 581	926	348 020	186 426	534 446	141.88		201.32	
Berri Barmera	RAV	10 530	507	470	2 403 220	204 765	2 607 985	228.23		435.67	
Burnside	UDM	44 734	27	235	898 765	464 319	1 363 084	20.38	#	1975.83	
Campbelltown	UDM	51 344	24	255	1 035 574	520 970	1 556 544	20.38	#	2043.02	
Ceduna	RAM	3 696	5 433	1 715	2 047 281	429 778	2 477 059	553.92		250.60	
Charles Sturt	UDL	112 714	56	577	2 279 324	1 161 669	3 440 993	20.38	#	2013.29	
Clare and Gilbert Valleys	RAL	9 029	1 886	1 831	560 716	376 064	936 780	62.10		205.39	
Cleve	RAS	1 808	5 000	1 546	963 386	382 748	1 346 134	532.85		247.57	
Cooper Pedy	URS	1 810	78	421	806 459	44 528	850 987	445.56		105.77	
Coorong	RAL	5 585	8 863	1 893	2 409 196	642 386	3 051 582	431.37		339.35	
Copper Coast	RAV	13 924	776	950	1 448 121	311 368	1 759 489	104.00		327.76	
Elliston	RAS	1 068	6 679	1 148	730 586	678 450	1 409 036	684.07		590.98	SW
Flinders Ranges	RAS	1 637	4 106	1 262	1 203 437	289 705	1 493 142	735.15		229.56	
Franklin Harbour	RAS	1 227	2 767	783	1 034 645	210 248	1 244 893	843.23		268.52	
Gerard	RTX	230	-	-	44 462	19 366	63 828	193.31		#DIV/0!	
Goyder	RAM	4 242	6 688	3 248	2 658 706	654 876	3 313 582	626.76		201.62	
Grant	RAL	8 174	1 917	1 569	985 925	475 520	1 461 445	120.62		303.07	SW

## Distribution to councils in South Australia for 2016-17 (continued)

Council name		Classification	Population <sup>a</sup> Number	Council area sq km	Road length km	2016-17 actual entitlement						Special Works included in per km SW
						General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km	
Holdfast Bay	UDM	37 006	14	172	743 676	363 874	1 107 550	20.38	#	2115.55		
Kangaroo Island	RAM	4 583	4 434	1 362	1 451 160	385 154	1 836 314	316.64	#	282.79		
Karoonda East Murray	RAS	1 027	4 409	1 299	1 205 504	328 610	1 534 114	1 173.81		252.97		
Kimba	RAS	1 101	3 966	1 716	1 003 378	293 338	1 296 716	911.33		170.94		
Kingston	RAM	2 368	3 351	744	539 755	283 107	822 862	227.94		380.52	SW	
Light	RAV	14 648	1 273	1 459	296 189	673 968	970 157	20.38	#	461.94	SW	
Lower Eyre Peninsula	RAL	5 079	4 755	1 344	473 500	399 506	873 006	93.23		297.25		
Loxton Waikerie	RAV	11 477	7 964	2 304	3 588 130	708 394	4 296 524	312.64		307.46		
Mallalac	RAL	8 692	932	961	1 050 438	246 025	1 296 463	120.85		256.01		
Maralinga Tjarutja*	RTX	75	-	-	92 901	52 004	144 905	1 238.68		#DIV/0!		
Marion	UDL	88 292	56	474	1 775 876	927 425	2 703 301	20.38	#	1956.59		
Mid Murray	RAL	8 262	6 252	3 392	3 092 003	1 289 086	4 381 089	374.24		380.04	SW	
Mitcham	UDM	66 182	76	403	1 324 118	736 133	2 060 251	20.38	#	1826.63		
Mount Barker	URM	31 950	593	776	668 243	547 367	1 215 610	20.92		705.37		
Mount Gambier	URS	26 246	34	224	2 199 669	384 081	2 583 750	83.81		1714.65		
Mount Remarkable	RAM	2 827	3 441	2 067	1 654 345	353 565	2 007 910	585.19		171.05		
Naracoorte Lucindale	RAL	8 449	4 531	1 615	2 270 092	501 020	2 771 112	268.68		310.23	SW	
Nipapanha*	RTX	78	-	-	28 522	19 282	47 804	365.67		#DIV/0!		
Northern Areas	RAM	4 512	2 974	2 202	1 397 540	388 913	1 786 453	309.74		176.62		
Norwood Payneham and St Peters	UDM	37 074	15	160	745 411	353 689	1 099 100	20.38	#	2210.56		
Onkaparinga	UFV	167 659	519	1 470	5 292 415	2 275 224	7 567 639	31.57		1547.77		
Orroroo Carrieton	RAS	861	3 306	1 628	968 119	246 963	1 215 082	1 124.41		151.70		

## Distribution to councils in South Australia for 2016–17 (continued)

Council name		Classification	Population <sup>a</sup> Number	Council area sq km	Road length km	2016-17 actual entitlement						Special Works included in per km SW
						General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km	
Outback Communities Authority	RTM	3 803	-	-	1 439 813	-	1 439 813	378.60	#	DIV/0!		
Peterborough	RAS	1 701	3 006	1 231	1 326 486	236 633	1 563 119	779.83		192.23		
Playford	UFL	86 869	344	826	8 540 981	3 087 977	11 628 958	98.32	#	3738.47	SW	
Port Adelaide Enfield	UDV	122 205	94	685	2 469 818	1 312 323	3 782 141	20.38		1915.80		
Port Augusta	URS	14 557	1 189	411	2 658 608	280 729	2 939 337	182.63		683.04		
Port Lincoln	URS	14 888	32	159	1 098 281	222 136	1 320 417	73.77		1397.08		
Port Pirie	RAV	17 646	1 792	1 354	3 928 063	451 762	4 379 825	222.60	#	333.65		
Prospect	UDS	21 247	8	87	427 410	198 567	625 977	20.38		2282.38		
Renmark Paranga	RAL	9 292	900	479	2 532 320	209 569	2 741 889	272.53		437.51		
Robe	RAS	1 431	1 098	435	29 240	105 046	134 286	20.43		241.49		
Roxby Downs	URS	5 032	110	39	101 344	77 822	179 166	20.38	#	1995.44		
Rural City of Murray Bridge	URS	20 740	1 824	976	3 160 250	462 519	3 622 769	152.37		473.89		
Salisbury	UDV	137 310	159	822	6 251 801	1 519 956	7 771 757	45.53		1849.09		
Southern Mallee	RAM	2 076	5 702	1 332	1 122 794	389 442	1 512 236	540.84		292.37		
Streaky Bay	RAM	2 251	6 241	1 733	1 464 914	448 963	1 913 877	650.78		259.07		
Tatiara	RAL	6 667	6 525	1 932	2 422 606	723 964	3 146 570	363.37		374.72	SW	
Tea Tree Gully	UDL	98 575	95	594	1 973 016	1 086 309	3 059 325	20.38	#	1828.80		
Town of Gawler	UFS	22 219	41	196	1 173 485	302 925	1 476 410	52.81		1545.54		
Tumby Bay	RAM	2 642	2 670	1 109	533 195	254 858	788 053	201.81		229.81		
Unley	UDM	39 014	14	165	784 808	368 919	1 153 727	20.38	#	2235.87		
Victor Harbor	URS	14 938	386	401	302 735	901 024	1 203 759	20.38	#	2246.94	SW	

## Distribution to councils in South Australia for 2016-17 (continued)

Council name		Classification	Population <sup>a</sup>		Council area sq km	Road length km	General purpose		Local road	Total	General purpose \$ per capita	Min	Local road	Special Works included in per km
			Number				\$	\$						
Wakefield		RAL	6 885		3 479	2 686	1 823 894	513 887	2 337 781	264.91		191.32		
Walkerville		UDS	7 401	4		35	153 134	74 769	227 903	20.69		2136.26		
Wattle Range		RAV	11 578	3 946		2 443	1 938 186	619 717	2 557 903	167.40		253.67	SW	
West Torrens		UDM	58 625	37		290	1 176 773	1 842 288	3 019 061	20.38	#	6352.72	SW	
Whyalla		URS	22 754	1 072		282	3 854 153	383 895	4 238 048	169.38		1361.33		
Wudinna		RAS	1 284	5 369		1 690	1 226 030	383 462	1 609 492	954.85		226.90		
Yalata*		RTX	298	-		64	160 038	41 870	201 908	537.04		654.22		
Yankalilla		RAL	4 630	757		544	127 565	148 061	275 626	27.55		272.17		
Yorke Peninsula		RAV	11 068	5 946		3 891	1 438 299	784 103	2 222 402	129.95		201.52		

Notes to Table 45:

a – population estimates provided by the Local Government Grants Commission in each State and the Northern Territory.

b – Barunga West Council – Council change its name as of 19 April 2018 from District Council of Barunga West.

c – Mallala Council – Council change its name as of 22 September 2016 to Adelaide Plains Council.

\* – Indigenous local governing body

# – minimum grant

sw – special works included in local roads totals

Table 46 Distribution to councils in Tasmania for 2016–17

Council name	Classification	Population* Number	Council area sq km	Road length km	2016-17 actual entitlement					
					General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Break O'day	RAL	6 469	3521	547	1 230 601	1 446 881	2 677 482	190.23		2 645.12
Brighton	URS	16 010	171	186	1 004 228	539 780	1 544 008	62.73		2 902.04
Burnie	URS	19 887	610	344	1 116 280	1 105 957	2 222 237	56.13		3 214.99
Central Coast	URS	22 401	931	668	2 015 152	1 823 087	3 838 239	89.96		2 729.17
Central Highlands	RAM	2 309	7976	737	905 557	1 412 684	2 318 241	392.19		1 916.80
Circular Head	RAL	8 245	4 891	769	1 258 367	1 807 547	3 065 914	152.62		2 350.52
Clarence City	UFM	54 674	377	453	1 086 341	1 440 079	2 526 420	19.87	#	3 178.98
Derwent Valley	RAV	10 026	4103	333	1 236 871	822 190	2 059 061	123.37		2 469.04
Devonport	URS	25 533	111	281	807 044	1 174 733	1 981 777	31.61		4 180.54
Dorset	RAL	7 105	3 223	739	1 669 952	1 790 692	3 460 644	235.04		2 423.13
Flinders	RTS	783	1994	350	606 706	691 976	1 298 682	774.85		1 977.07
George Town	RAL	6 802	653	274	977 608	800 919	1 778 527	143.72		2 923.06
Glamorgan - Spring Bay	RAM	4 493	2 587	357	345 267	875 715	1 220 982	76.85		2 452.98
Glenorchy	URM	45 827	121	324	910 556	1 366 117	2 276 673	19.87	#	4 216.41
Hobart	UCC	50 714	78	310	1 007 658	1 553 947	2 561 605	19.87	#	5 012.73
Huon Valley	RAV	16 354	5497	708	1 966 024	1 477 890	3 443 914	120.22		2 087.42
Kentish	RAL	6 481	1 155	470	1 472 715	1 108 691	2 581 406	227.24		2 358.92
King Island	RAS	1 577	1 094	439	735 032	946 966	1 681 998	466.10		2 157.10
Kingborough	UFM	35 833	719	537	711 981	1 326 057	2 038 038	19.87	#	2 469.38
Latrobe	RAV	10 938	600	288	731 777	718 117	1 449 894	66.90		2 493.46
Launceston	URM	67 078	1 411	752	1 332 802	2 752 509	4 085 311	19.87	#	3 660.25
Meander Valley	RAV	19 686	3 320	821	2 082 912	2 032 534	4 115 446	105.81		2 475.68
Northern Midlands	RAV	12 749	5126	972	1 143 501	2 204 941	3 348 442	89.69		2 268.46

## Distribution to councils in Tasmania for 2016-17 (continued)

Tasmania		2016-17 actual entitlement									
		Classification	Population <sup>a</sup> Number	Council area sq km	Road length km	General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Sorell	RAV	13 955	583	409	1 111 819	984 652	2 096 471	79.67		2 407.46	
Southern Midlands	RAL	6 278	2 611	803	1 687 539	1 512 180	3 199 719	268.80		1 883.16	
Tasman	RAM	2 405	659	197	449 830	473 887	923 717	187.04		2 405.52	
Waratah - Wynyard	RAV	14 289	3 526	540	1 494 113	1 280 294	2 774 407	104.56		2 370.91	
West Coast	RAM	4 483	9 574	195	1 244 190	628 681	1 872 871	277.54		3 224.01	
West Tamar	UFS	23 202	690	463	1 871 805	1 189 744	3 061 549	80.67		2 569.64	

Notes to Table 45:

a – population estimates provided by the Local Government Grants Commission in each State and the Northern Territory.

# – minimum grant

Table 47 Distribution to councils in Northern Territory for 2016–17

Northern Territory		2016-17 actual entitlement									
		Classification	Population <sup>a</sup> Number	Council area sq km	Road length km	General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Alice Springs	URS	27 939	327	245	706 357	914 126	1 620 483	25.28		3 731.13	
Barkly	RTL	8 159	322 693	556	1 726 730	435 428	2 162 158	211.64		783.14	
Belyuen	RTX	209	42	84	25 639	31 723	57 362	122.67		377.65	
Central Desert	RTL	4 363	282 090	1 769	945 894	822 224	1 768 118	216.80		464.80	
Coomalie	RTM	1 294	1 512	175	26 458	402 925	429 383	20.45	#	2 302.43	
Darwin	UCC	82 816	142	515	1 693 366	1 752 879	3 446 245	20.45	#	3 403.65	
East Arnhem*	RTL	10 718	33 302	1 068	3 080 139	1 171 106	4 251 245	287.38		1 096.54	
Katherine	URS	11 105	7 421	187	552 830	607 954	1 160 784	49.78		3 251.09	
Litchfield	RAV	23 587	3 072	724	482 291	2 459 437	2 941 728	20.45	#	3 397.01	
Local Government Association of the Northern Territory Inc	URL	-	-	2 123	-	1 447 335	1 447 335	-		681.74	
MacDonnell*	RTS	6 974	268 784	1 555	1 737 312	959 154	2 696 466	249.11		616.82	
Palmerston	UFS	34 612	56	243	707 723	797 493	1 505 216	20.45	#	3 281.86	
Roper Gulf	RTL	7 427	185 176	940	1 822 731	1 027 151	2 849 882	245.42		1 092.71	
Tiwi Islands*	RTM	3 098	7 501	845	430 650	939 108	1 369 758	139.01		1 111.37	
Victoria - Daly*	RTL	3 322	153 000	335	491 640	679 109	1 170 749	148.00		2 027.19	
Wagait	RTX	426	6	17	8 711	53 139	61 850	20.45	#	3 125.82	
West Arnhem*	RTL	7 443	49 698	1 232	1 197 498	1 144 525	2 342 023	160.89		929.00	
West Daly*	RTL	3 760	14 000	697	534 597	838 490	1 373 087	142.18		1 203.00	

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



# 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, 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 position of the average general purpose grant per capita and the average local road grant per kilometre are also shown within 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 48 New South Wales councils ranked by grant funding 2016-17

<i>New South Wales councils ranked by funding per capita</i>				<i>New South Wales councils ranked by funding per kilometre</i>			
<i>General purpose grant</i>				<i>Local road grant</i>			
<i>Rank</i>	<i>Council name</i>	<i>Classification</i>	<i>\$ per capita</i>	<i>Rank</i>	<i>Council name</i>	<i>Classification</i>	<i>\$ per km</i>
1	Central Darling	RTM	1 658.65	1	Sydney	UCC	4 021.01
2	Bourke	RAM	1 220.16	2	Waverley	UDL	3 723.22
3	Brewarrina	RAS	1 212.39	3	Randwick	UDV	3 301.60
4	Carrathool	RAM	1 168.93	4	North Sydney	UDL	3 223.03
5	Balranald	RAM	987.28	5	Cumberland	UDV	3 212.88
6	Lachlan	RAL	768.17	6	Canada Bay	URM	3 144.75
7	Bogan	RAM	764.00	7	Strathfield	UDM	3 129.64
8	Cobar	RTL	732.63	8	Inner West	UDV	3 001.50
9	Lockhart	RAM	701.70	9	Burwood	UDM	2 995.41
10	Bland	RAL	701.53	10	Woollahra	UDM	2 989.47
11	Hay	RAM	644.99	11	Canterbury-Bankstown	UDV	2 920.92
12	Murrumbidgee	RAM	619.82	12	Willoughby	UDL	2 853.58
13	Walgett	RAL	573.33	13	Georges River	UDV	2 840.31
14	Wentworth	RAL	552.94	14	Ryde	UDV	2 823.04
15	Silverton Village	RTX	548.88	15	Lane Cove	UDM	2 775.88
16	Tibooburra Village	RTX	548.88	16	Fairfield	UDV	2 666.29
17	Warren	RAM	519.41	17	Mosman	UDM	2 657.60
18	Coonamble	RAM	514.36	18	Parramatta	UDV	2 652.51
19	Lord Howe Island	RTX	503.96	19	Northern Beaches	UDV	2 622.68
20	Gilgandra	RAM	495.42	20	Coffs Harbour	URL	2 544.03
21	Coolamon	RAM	488.14	21	Albury	URM	2 479.18
22	Narrandera	RAL	477.82	22	Liverpool	UDV	2 460.93
23	Gwydir	RAL	461.50	23	Blacktown	UDV	2 454.14
24	Warrumbungle	RAL	425.09	24	Sutherland	UDV	2 432.62
25	Murray River	RAV	416.37	25	Campbelltown	UFV	2 431.57
26	Edward River	RAL	391.97	26	Wollongong	URV	2 426.52
27	Weddin	RAM	390.41	27	Tweed	URL	2 422.43
28	Tenterfield	RAL	389.14	28	Orange	URM	2 411.60
29	Narromine	RAL	376.97	29	Ku-Ring-Gai	UDV	2 408.01
30	Walcha	RAM	374.39	30	Hornsby	UFV	2 331.70
31	Berrigan	RAL	353.63	31	Hunters Hill	UDS	2 305.74
32	Federation	RAV	330.21	32	Broken Hill	URS	2 262.09
33	Temora	RAL	324.53	33	Newcastle	URV	2 260.96
34	Narrabri	RAV	316.65	34	Penrith	UFV	2 229.74
35	Upper Lachlan	RAL	314.75	35	Shellharbour	URL	2 199.32
36	Forbes	RAL	310.23	36	The Hills	UFV	2 179.74
37	Moree Plains	RAV	304.90	37	Port Macquarie Hastings	URL	2 147.40

## New South Wales councils ranked by grant funding 2016–17 (continued)

<i>New South Wales councils ranked by funding per capita</i>				<i>New South Wales councils ranked by funding per kilometre</i>			
<i>General purpose grant</i>				<i>Local road grant</i>			
<i>Rank</i>	<i>Council name</i>	<i>Classification</i>	<i>\$ per capita</i>	<i>Rank</i>	<i>Council name</i>	<i>Classification</i>	<i>\$ per km</i>
38	Snowy Monaro Regional	URS	299.06	38	The of Camden	UFL	2 128.49
39	Oberon	RAL	289.61	39	Central Coast	UFV	2 088.30
40	Greater Hume	RAV	274.82	40	Ballina	URM	2 076.50
41	Gundagai	RAV	282.54	41	Lake Macquarie	URV	2 047.58
42	Junee	RAL	273.36	42	Kiama	URS	1 997.18
43	Glen Innes Severn	RAL	270.55	43	Shoalhaven	URL	1 977.00
44	Liverpool Plains	RAL	268.76	44	Maitland	URL	1 921.91
45	Snowy Valleys	RAV	257.87	45	Byron	URM	1 838.31
46	Kyogle	RAL	252.87	46	Blue Mountains	UFL	1 813.15
47	Hilltops	RAV	248.28	47	Hawkesbury	UFM	1 796.78
48	Leeton	RAV	245.56	48	Port Stephens	URL	1 796.05
49	Parkes	RAV	242.79	49	Cessnock	URM	1 782.27
50	Cowra	RAV	228.53	50	Wollondilly	UFM	1 767.28
51	Uralla	RAL	219.26	51	Lismore	URM	1 694.63
52	Blayney	RAL	216.06	52	Nambucca	RAV	1 688.93
53	Inverell	RAV	203.85	53	Wingecarribee	URM	1 649.01
54	Gunnedah	RAV	202.40	54	Bellingen	RAV	1 642.97
55	Broken Hill	URS	197.33	55	Eurobodalla	URM	1 628.68
56	Bellingen	RAV	190.95	56	Queanbeyan-Palerang	URM	1 628.66
57	Upper Hunter	RAV	184.43	57	Kempsey	URS	1 623.73
58	Cabonne	RAV	183.32	58	Bathurst	URM	1 597.69
59	Dungog	RAL	162.06	59	Singleton	URS	1 565.00
60	Lithgow	URS	150.53	60	Bega Valley	URM	1 549.85
61	Mid-Western Regional	RAS	148.47	61	Mid-Coast	URL	1 543.12
62	Western Plains Regional	URV	146.63	62	Muswellbrook	RAV	1 509.14
63	Bega Valley	URM	143.04	63	Bayside	UDM	3 017.51
64	Clarence Valley	URM	139.60	64	Clarence Valley	URM	1 482.36
65	Muswellbrook	RAV	133.92	65	Richmond Valley	URS	1 478.65
66	Richmond Valley	URS	133.89	66	Wagga Wagga	URM	1 439.44
67	Griffith	URS	131.61	67	Dungog	RAL	1 415.99
68	Eurobodalla	URM	130.52	68	Kyogle	RAL	1 415.04
69	Mid-Coast	URL	127.63	69	Goulburn Mulwaree	URM	1 411.79
70	Kempsey	URS	126.82		<b>State average</b>		<b>1 391.88</b>
71	Armidale	URM	126.35	70	Lithgow	URS	1 335.85
72	Nambucca	RAV	125.04	71	Tamworth Regional	URM	1 329.47

## New South Wales councils ranked by grant funding 2016-17 (continued)

<i>New South Wales councils ranked by funding per capita</i>				<i>New South Wales councils ranked by funding per kilometre</i>			
<i>General purpose grant</i>				<i>Local road grant</i>			
<i>Rank</i>	<i>Council name</i>	<i>Classification</i>	<i>\$ per capita</i>	<i>Rank</i>	<i>Council name</i>	<i>Classification</i>	<i>\$ per km</i>
73	Wagga Wagga	URM	103.54	72	Snowy Valleys	RAV	1 271.87
74	Goulburn Mulwaree	URM	102.54	73	Western Plains Regional	URV	1 249.34
75	Tamworth Regional	URM	101.58	74	Armidale	URM	1 220.31
76	Bathurst	URM	97.22	75	Griffith	URS	1 218.27
77	Cessnock	URM	92.32	76	Yass Valley	RAV	1 190.12
78	Lismore	URM	91.01	77	Glen Innes Severn	RAL	1 177.22
79	Albury	URM	90.08	78	Mid-Western Regional	RAS	1 168.10
80	Singleton	URS	90.01	79	Blayney	RAL	1 154.23
81	Yass Valley	RAV	89.92	80	Gundagai	RAV	1 153.40
82	Blue Mountains	UFL	87.28	81	Upper Hunter	RAV	1 152.60
83	Shoalhaven	URL	83.26	82	Cowra	RAV	1 124.40
84	Tweed	URL	78.50	83	Cabonne	RAV	1 120.73
85	Port Macquarie Hastings	URL	75.92	84	Leeton	RAV	1 115.88
86	Orange	URM	75.52	85	Snowy Monaro Regional	URS	1 115.37
87	Wollongong	URV	72.41	86	Uralla	RAL	1 107.73
88	Port Stephens	URL	71.89	87	Inverell	RAV	1 100.65
89	Maitland	URL	68.70	88	Walcha	RAM	1 096.25
90	Coffs Harbour	URL	67.66	89	Gunnedah	RAV	1 091.85
91	Ballina	URM	67.43	90	Hilltops	RAV	1 073.18
	<b>State average</b>		<b>66.55</b>	91	Liverpool Plains	RAL	1 070.20
92	Newcastle	URV	62.08	92	Greater Hume	RAV	1 070.06
93	Wingecarribee	URM	61.85	93	Tenterfield	RAL	1 068.60
94	Lake Macquarie	URV	61.74	94	Murray River	RAV	1 062.52
95	Queanbeyan-Palerang	URM	60.39	95	Junee	RAL	1 048.72
96	Central Coast	UFV	59.91	96	Parkes	RAV	1 032.06
97	Shellharbour	URL	57.51	97	Forbes	RAL	1 031.60
98	Byron	URM	54.07	98	Oberon	RAL	1 030.46
99	Campbelltown	UFV	49.59	99	Upper Lachlan	RAL	1 027.35
100	Kiama	URS	48.63	100	Narrabri	RAV	1 025.33
101	Wollondilly	UFM	46.74	101	Federation	RAV	1 024.00
102	Blacktown	UDV	41.22	102	Moree Plains	RAV	1 020.47
103	Penrith	UDV	41.19	103	Edward River	RAL	1 018.75
104	Hawkesbury	UFM	39.16	104	Berrigan	RAL	1 012.83
105	Fairfield	UDV	38.41	105	Walgett	RAL	1 010.90

## New South Wales councils ranked by grant funding 2016–17 (continued)

<i>New South Wales councils ranked by funding per capita</i>				<i>New South Wales councils ranked by funding per kilometre</i>			
<i>General purpose grant</i>				<i>Local road grant</i>			
<i>Rank</i>	<i>Council name</i>	<i>Classification</i>	<i>\$ per capita</i>	<i>Rank</i>	<i>Council name</i>	<i>Classification</i>	<i>\$ per km</i>
106	Parramatta	UDV	34.64	106	Warrumbungle	RAL	1 009.24
107	Liverpool	UDV	32.73	107	Warren	RAM	1 006.13
108	Camden	UFL	32.24	108	Gilgandra	RAM	1 004.08
109	Cumberland	UDV	27.53	109	Lockhart	RAM	1 001.68
110	Canterbury-Bankstown	UDV	24.54	110	Narrandera	RAL	995.95
111	Inner West	UDV	22.55	111	Gwydir	RAL	991.81
112	The Hills	UDV	20.86	112	Temora	RAL	991.42
113	Hornsby	UDV	20.28	113	Coonamble	RAM	988.22
114	Burwood	URM	19.97	114	Bogan	RAM	987.03
115	Hunters Hill	UDS	19.97	115	Narromine	RAL	984.74
116	Strathfield	UDM	19.97	116	Weddin	RAM	976.38
117	North Sydney	UDL	19.97	117	Wentworth	RAL	970.30
118	Georges River	UDV	19.97	118	Hay	RAM	967.74
119	Waverley	UDL	19.97	119	Coolamon	RAM	956.58
120	Northern Beaches	UDV	19.97	120	Murrumbidgee	RAM	955.73
121	Woollahra	UDM	19.97	121	Brewarrina	RAS	955.40
122	Bayside	UDM	19.97	122	Cobar	RTL	949.14
123	Lane Cove	UDM	19.97	123	Lachlan	RAL	943.81
124	Canada Bay	URM	19.97	124	Bourke	RAM	941.62
125	Ryde	UDV	19.97	125	Bland	RAL	939.41
126	Randwick	UDV	19.97	126	Carrathool	RAM	932.35
127	Willoughby	UDL	19.97	127	Balranald	RAM	927.46
128	Ku-Ring-Gai	UDV	19.97	128	Central Darling	RTM	925.88
129	Sutherland	UDV	19.97	129	Lord Howe Island	RTX	-
130	Sydney	UCC	19.97	130	Silverton Village	RTX	-
131	Mosman	UDM	19.97	131	Tibooburra Village	RTX	-

Table 49 Victorian councils ranked by grant funding 2016-17

<i>Victorian councils ranked by funding per capita</i>				<i>Victorian councils ranked by funding per kilometre</i>			
<i>General purpose grant</i>				<i>Local road grant</i>			
<i>Rank</i>	<i>Council name</i>	<i>Classification</i>	<i>\$ per capita</i>	<i>Rank</i>	<i>Council name</i>	<i>Classification</i>	<i>\$ per km</i>
1	West Wimmera	RAM	716.99	1	Melbourne	UCC	3 148.06
2	Loddon	RAL	632.94	2	Greater Dandenong	UDV	2 059.64
3	Buloke	RAL	575.17	3	Kingston	UDV	2 006.28
4	Hindmarsh	RAL	468.60	4	Warrnambool	URM	1 903.98
5	Yarriambiack	RAL	440.54	5	Port Phillip	UDL	1 870.53
6	Pyrenees	RAL	434.57	6	Yarra Ranges	UFV	1 818.58
7	Towong	RAL	402.80	7	Hume	UFV	1 814.55
8	Northern Grampians	RAV	361.83	8	Brimbank	UDV	1 790.00
9	Gannawarra	RAV	322.44	9	Yarra	UDL	1 734.27
10	Ararat	RAV	308.94	10	Moreland	UDV	1 724.04
11	Strathbogie	RAV	299.18	11	Alpine Shire	RAV	1 718.67
12	Southern Grampians	RAV	250.62	12	Wodonga	URM	1 695.11
13	Corangamite	RAV	249.36	13	Maribyrnong	UDL	1 674.23
14	Moyne	RAV	236.11	14	Darebin	UDV	1 659.37
15	Mansfield	RAL	226.24	15	South Gippsland	URS	1 658.86
16	East Gippsland	URM	222.89	16	Melton	UFV	1 656.92
17	Moira	URM	221.85	17	Banyule	UDV	1 642.34
18	Glenelg	RAV	216.83	18	Hobsons Bay	UDL	1 633.25
19	Swan Hill	URM	209.27	19	Whittlesea	UFV	1 617.09
20	Murrindindi	RAV	204.90	20	Cardinia	UFL	1 607.53
21	Central Goldfields	RAV	202.73	21	Stonnington	UDL	1 605.14
22	Hepburn	RAV	199.71	22	Ballarat	URL	1 574.16
23	Alpine Shire	RAV	197.97	23	Moonee Valley	UDV	1 572.52
24	Campaspe	URM	197.54	24	Colac Otway Shire	URS	1 542.72
25	South Gippsland	URM	196.71	25	Whitehorse	UDV	1 539.64
26	Horsham	RAV	193.62	26	Latrobe	URL	1 538.76
27	Mildura	URM	191.57	27	Boroondara	UDV	1 531.82
28	Benalla	RAV	185.76	28	Maroondah	UDL	1 529.75
29	Wellington	URM	185.72	29	Monash	UDV	1 522.84
30	Indigo	RAV	179.42	30	Bayside	UDL	1 518.52
31	Colac Otway Shire	URM	177.02	31	Frankston	UDV	1 506.19
32	Mount Alexander	RAV	164.15	32	East Gippsland	URM	1 495.76
33	Wangaratta	URM	160.80	33	Wyndham	UFV	1 489.88
34	Golden Plains	RAV	160.58	34	Greater Geelong	URV	1 468.22
35	Greater Shepparton	URM	138.81	35	Wellington	URM	1 449.80
36	Bass Coast	UFM	135.30	36	Bass Coast	UFM	1 447.67
37	Moorabool	URM	133.07	37	Knox	UDV	1 445.43
38	Mitchell	URM	130.84	38	Glen Eira	UDV	1 415.29

## Victoria councils ranked by grant funding 2016–17 (continued)

Victorian councils ranked by funding per capita				Victorian councils ranked by funding per kilometre			
General purpose grant				Local road grant			
Rank	Council name	Classification	\$ per capita	Rank	Council name	Classification	\$ per km
39	Baw Baw	URM	130.67	39	Casey	UDV	1 414.60
40	Latrobe	URL	124.38	40	Nilumbik	UFM	1 414.53
41	Greater Bendigo	URL	113.04	41	Corangamite	RAV	1 381.00
42	Wodonga	URM	107.01	42	Moyne	RAV	1 364.57
43	Macedon Ranges	URM	105.66	43	Mornington Peninsula	UFV	1 361.74
44	Ballarat	URL	102.42	44	Baw Baw	URM	1 341.72
45	Melton	UFV	89.56	45	Manningham	UDV	1 293.78
46	Warrnambool	URM	88.02	46	Surf Coast Shire	UFM	1 289.40
47	Cardinia	UFL	86.97	47	Murrindindi	RAV	1 287.91
48	Surf Coast Shire	UFM	80.19	48	Borough of Queenscliffe	UFS	1 261.12
49	Greater Geelong	URV	72.04	49	Glenelg	RAV	1 232.35
50	Yarra Ranges	UFV	70.03	50	Macedon Ranges	URM	1 198.44
	<b>State Average</b>		<b>68.25</b>	51	Towong	RAL	1 189.44
51	Borough of Queenscliffe	UFS	65.35	52	Moorabool	URM	1 181.69
52	Wyndham	UFV	63.29	53	Greater Shepparton	URM	1 161.29
53	Greater Dandenong	UDV	60.54	54	Wangaratta	URS	1 155.73
54	Whittlesea	UFV	59.05		<b>State average</b>		<b>1 110.80</b>
55	Hume	UFV	58.71	55	Mitchell	URM	1 106.36
56	Brimbank	UDV	58.53	56	Mansfield	RAL	1 092.17
57	Frankston	UDV	54.28	57	Mount Alexander	RAV	1 074.58
58	Casey	UDV	53.91	58	Benalla	RAV	1 060.58
59	Knox	UDV	38.94	59	Greater Bendigo	URL	1 039.88
60	Maroondah	UDL	37.36	60	Golden Plains	RAV	1 036.65
61	Nilumbik	UFM	33.83	61	Southern Grampians	RAV	1 031.24
62	Moreland	UDV	28.00	62	Moira	URS	994.18
63	Maribyrnong	UDL	27.54	63	Indigo	RAV	992.07
64	Banyule	UDV	26.43	64	Pyrenees	RAL	987.16
65	Mornington Peninsula	UFV	24.92	65	Hepburn	RAV	987.01
66	Darebin	UDV	24.77	66	Campaspe	URM	982.59
67	Hobsons Bay	UDL	20.48	67	Ararat	RAV	948.79
68	Manningham	UDV	20.48	68	Strathbogie	RAV	920.40
69	Kingston	UDV	20.48	69	Central Goldfields	RAV	880.91
70	Whitehorse	UDV	20.48	70	Gannawarra	RAV	836.02
71	Monash	UDV	20.48	71	Northern Grampians	RAV	779.65
72	Boroondara	UDV	20.48	72	West Wimmera	RAM	773.54
73	Bayside	UDL	20.48	73	Mildura	URM	731.63

## Victoria councils ranked by grant funding 2016-17 (continued)

<i>Victorian councils ranked by funding per capita</i>				<i>Victorian councils ranked by funding per kilometre</i>			
<i>General purpose grant</i>				<i>Local road grant</i>			
<i>Rank</i>	<i>Council name</i>	<i>Classification</i>	<i>\$ per capita</i>	<i>Rank</i>	<i>Council name</i>	<i>Classification</i>	<i>\$ per km</i>
74	Glen Eira	UDV	20.48	74	Loddon	RAL	729.25
75	Stonnington	UDL	20.48	75	Horsham	RAV	689.77
76	Moonee Valley	UDV	20.48	76	Swan Hill	URS	580.00
77	Port Phillip	UDL	20.48	77	Hindmarsh	RAL	480.82
78	Yarra	UDL	20.48	78	Buloke	RAL	434.92
79	Melbourne	UCC	20.48	79	Yarriambiack	RAL	390.60

Table 50 Queensland councils ranked by grant funding 2016–17

Queensland councils ranked by funding per capita				Queensland councils ranked by funding per kilometre			
General purpose grant				Local road grant			
Rank	Council name	Classification	\$ per capita	Rank	Council name	Classification	\$ per km
1	Bulloo	RTX	12 357.55	1	Brisbane	UCC	2 655.90
2	Croydon	RTX	8 779.91	2	Gold Coast	URV	2 376.97
3	Diamantina	RTX	8 231.08	3	Redland	URV	2 006.79
4	Barcoo	RTX	7 649.64	4	Logan	URV	1 913.33
5	Burke	RTX	4 547.68	5	Cairns	URV	1 806.06
6	Boulia	RTS	4 495.05	6	Moreton Bay	URV	1 805.12
7	Etheridge	RTS	4 031.55	7	Townsville	URV	1 710.00
8	McKinlay	RTS	4 005.55	8	Ipswich	URV	1 688.72
9	Quilpie	RTS	3 855.11	9	Sunshine Coast	URV	1 549.46
10	Richmond	RTS	3 642.28	10	Palm Island	RTM	1 209.05
11	Mapoon	RTX	3 515.24	11	Noosa	URM	1 187.67
12	Winton	RTM	2 960.40	12	Mackay	URL	1 061.53
13	Flinders	RTM	2 722.32	13	Yarrabah	RTM	1 051.63
14	Lockhart River	RTS	2 682.44	14	Rockhampton	URL	986.83
15	Torres Strait Island	RTL	2 113.37	15	Fraser Coast	URL	959.91
16	Paroo	RTM	1 975.11		<b>State average</b>		<b>885.78</b>
17	Pormpuraaw	RTS	1 707.73	16	Bundaberg	URL	878.45
18	Cook	RTL	1 687.70	17	Douglas	RAV	878.25
19	Carpentaria	RTM	1 611.00	18	Lockyer Valley	URM	835.40
20	Barcaldine	RTM	1 535.22	19	Livingstone	UFM	824.94
21	Wujal Wujal	RTX	1 482.55	20	Gladstone	URM	823.90
22	Longreach	RTL	1 394.39	21	Toowoomba	URV	810.52
23	Cloncurry	RTL	1 342.92	22	Cassowary Coast	URS	798.32
24	Northern Peninsula Area	RTL	1 333.20	23	Scenic Rim	UFM	785.69
25	Aurukun	RTM	1 256.39	24	Gympie	URM	775.91
26	Blackall-Tambo	RTM	1 242.55	25	Whitsunday	URM	747.89
27	Kowanyama	RTS	1 203.50	26	Cherbourg	RTM	745.89
28	Mornington	RTM	1 178.69	27	Woorabinda	RTS	742.73
29	Murweh	RTL	1 055.39	28	Aurukun	RTM	728.58
30	Napranum	RTM	1 045.52	29	Wujal Wujal	RTX	725.39
31	Maranoa	RAV	965.52	30	Hinchinbrook	RAV	724.74
32	North Burnett	RAV	862.79	31	Burdekin	RAV	716.31
33	Doomadgee	RTM	851.29	32	Tablelands	URS	695.68
34	Hope Vale	RTS	827.15	33	Somerset	UFS	687.56
35	Torres	RTL	791.35	34	Torres Strait Island	RTL	685.56
36	Balonne	RAM	722.69	35	Doomadgee	RTM	683.71
37	Woorabinda	RTS	478.27	36	Torres	RTL	682.44

## Queensland councils ranked by grant funding 2016-17 (continued)

Queensland councils ranked by funding per capita				Queensland councils ranked by funding per kilometre			
General purpose grant				Local road grant			
Rank	Council name	Class ification	\$ per capita	Rank	Council name	Class ification	\$ per km
38	Palm Island	RTM	421.63	37	Southern Downs	URM	676.94
39	Cherbourg	RTM	408.74	38	Mount Isa	RTL	670.32
40	Goondiwindi	RAV	386.76	39	South Burnett	URM	658.67
41	Western Downs	URM	379.56	40	Mareeba	URS	653.74
42	Banana	RAV	346.28	41	Hope Vale	RTS	644.14
43	Charters Towers	RAV	326.11	42	Mornington	RTM	636.24
44	Yarrabah	RTM	307.84	43	Isaac	URS	633.21
45	Mareeba	URS	233.40	44	Northern Peninsula Area	RTL	632.71
46	Mount Isa	RTL	188.57	45	Central Highlands	URS	627.02
47	Central Highlands	URS	179.54	46	Mapoon	RTX	623.73
48	Tablelands	URS	168.89	47	Napranum	RTM	614.42
49	Burdekin	RAV	144.61	48	Western Downs	URM	602.77
50	South Burnett	URM	142.67	49	Goondiwindi	RAV	602.24
51	Southern Downs	URM	130.93	50	Charters Towers	RAV	595.99
52	Hinchinbrook	RAV	128.36	51	Banana	RAV	595.69
53	Isaac	URS	117.48	52	Kowanyama	RTS	590.71
54	Whitsunday	URM	97.77	53	Lockhart River	RTS	590.37
55	Somerset	UFS	85.85	54	North Burnett	RAV	581.98
56	Douglas	RAV	81.34	55	Maranoa	RAV	580.99
57	Cassowary Coast	URS	80.64	56	Cloncurry	RTL	578.59
58	Gladstone	URM	77.63	57	Balonne	RAM	575.71
59	Lockyer Valley	URM	74.23	58	Murweh	RTL	573.89
60	Gympie	URM	66.68	59	Cook	RTL	572.09
	<b>State average</b>		<b>66.55</b>	60	Longreach	RTL	571.98
61	Livingstone	UFM	66.54	61	Carpentaria	RTM	570.88
62	Rockhampton	URL	62.95	62	Pormpuraaw	RTS	570.32
63	Bundaberg	URL	53.00	63	Blackall-Tambo	RTM	569.16
64	Toowoomba	URV	51.32	64	Barcaldine	RTM	568.19
65	Fraser Coast	URL	40.47	65	Flinders	RTM	565.94
66	Scenic Rim	UFM	39.37	66	Paroo	RTM	565.10
67	Mackay	URL	28.69	67	Burke	RTX	564.79
68	Moreton Bay	URV	19.96	68	Richmond	RTS	563.38
69	Logan	URV	19.96	69	McKinlay	RTS	563.38
70	Gold Coast	URV	19.96	70	Winton	RTM	562.25
71	Brisbane	UCC	19.96	71	Etheridge	RTS	562.11
72	Redland	URV	19.96	72	Quilpie	RTS	561.38
73	Sunshine Coast	URV	19.96	73	Boulia	RTS	560.49

## Queensland councils ranked by grant funding 2016–17 (continued)

Queensland councils ranked by funding per capita				Queensland councils ranked by funding per kilometre			
General purpose grant				Local road grant			
Rank	Council name	Class ification	\$ per capita	Rank	Council name	Class ification	\$ per km
74	Ipswich	URV	19.96	74	Croydon	RTX	559.78
75	Cairns	URV	19.96	75	Diamantina	RTX	559.49
76	Townsville	URV	19.96	76	Barcoo	RTX	558.91
77	Noosa	URM	19.96	77	Bulloo	RTX	558.75

Table 51 Western Australian councils ranked by grant funding 2016-17

<i>Western Australian councils ranked by funding per capita</i>				<i>Western Australian councils ranked by funding per kilometre</i>			
<i>General purpose grant</i>				<i>Local road grant</i>			
<i>Rank</i>	<i>Council name</i>	<i>Classification</i>	<i>\$ per capita</i>	<i>Rank</i>	<i>Council name</i>	<i>Classification</i>	<i>\$ per km</i>
1	Murchison	RTX	21 980.18	1	Perth	UCC	4 967.33
2	Sandstone	RTX	13 746.44	2	Bunbury	URM	2 594.97
3	Upper Gascoyne	RTX	9 784.97	3	Serpentine Jarrahdale	UFS	2 592.07
4	Cue	RTX	4 555.89	4	Vincent	UDS	2 389.03
5	Menzies	RTS	4 375.11	5	Bassendean	UDS	2 272.22
6	Yalgoo	RTX	4 151.85	6	Belmont	UDM	2 269.33
7	Nungarin	RAS	4 047.82	7	Bayswater	UDM	2 211.60
8	Trayning	RAS	3 064.06	8	Canning	UDL	2 193.67
9	Mt Marshall	RAS	2 990.84	9	Peppermint Grove	UDS	2 182.56
10	Westonia	RAS	2 679.57	10	Fremantle	UDM	2 175.03
11	Koorda	RAS	2 647.57	11	Claremont	UDS	2 133.94
12	Mukinbudin	RAS	2 305.63	12	Cottesloe	UDS	2 133.11
13	Ngaanyatjarraku	RTM	2 197.57	13	Victoria Park	UDM	2 126.13
14	Mount Magnet	RTS	1 997.13	14	Cambridge	UDS	2 120.60
15	Wyalkatchem	RAS	1 837.71	15	Gosnells	UDV	2 120.30
16	Tammin	RAS	1 799.55	16	Joondalup	UDV	2 101.66
17	Meekatharra	RTM	1 676.95	17	South Perth	UDM	2 056.84
18	Dumbleyung	RAS	1 552.43	18	Subiaco	UDS	2 029.62
19	Bruce Rock	RAS	1 548.54	19	Stirling	UDV	2 029.37
20	Carnamah	RAS	1 537.39	20	Melville	UDL	2 010.52
21	Shark Bay	RTS	1 470.42	21	Nedlands	UDS	1 999.13
22	Narembeen	RAS	1 424.71	22	East Fremantle	UDS	1 916.92
23	Wiluna	RTS	1 382.97	23	Wanneroo	UFV	1 902.95
24	Wickepin	RAS	1 307.37	24	Bridgetown Greenbushes	RAM	1 872.95
25	Laverton	RTM	1 230.08	25	Mosman Park	UDS	1 863.28
26	Dowerin	RAS	1 187.48	26	Cockburn	UDL	1 847.84
27	Woodanilling	RAS	1 181.96	27	Rockingham	UFV	1 846.28
28	Perenjori	RAS	1 125.02	28	Armadale	UFM	1 823.90
29	Morawa	RAS	1 097.13	29	Mandurah	UFL	1 786.18
30	Dalwallinu	RAS	1 080.64	30	Kwinana	UFM	1 775.10
31	Kulin	RAS	1 069.42	31	Kalamunda	UFM	1 746.58
32	Kent	RAS	1 067.56	32	Swan	UFV	1 719.12
33	Quairading	RAS	1 036.10	33	Broome	RTL	1 657.83
34	Kellerberrin	RAS	1 034.99	34	Busselton	URM	1 630.65
35	Broomehill-Tambellup	RAS	984.07	35	Mundaring	UFM	1 595.16
36	Dundas	RTS	952.05	36	Port Hedland	RTL	1 580.05

## Western Australian councils ranked by grant funding 2016–17 (continued)

Western Australian councils ranked by funding per capita				Western Australian councils ranked by funding per kilometre			
General purpose grant				Local road grant			
Rank	Council name	Classification	\$ per capita	Rank	Council name	Classification	\$ per km
37	Corrigin	RAS	944.41	37	Augusta Margaret River	RSG	1 525.50
38	Kondinin	RAS	860.94	38	Nannup	RAS	1 464.07
39	Halls Creek	RTL	847.34	39	Exmouth	RTM	1 400.27
40	Three Springs	RAS	809.87	40	Karratha	URS	1 398.17
41	Coorow	RAS	762.36	41	Manjimup	RAL	1 327.16
42	Wongan-Ballidu	RAS	753.96	42	Capel	URS	1 302.69
43	Lake Grace	RAS	751.47	43	Chittering	RAL	1 298.20
44	Pingelly	RAS	666.46	44	Kalgoorlie-Boulder	URM	1 193.02
45	Cunderdin	RAS	640.85	45	Collie	RAL	1 178.19
46	Nannup	RAS	618.27	46	Gingin	RAL	1 161.60
47	Cuballing	RAS	602.45	47	Murray	RAV	1 161.30
48	Cranbrook	RAS	601.18	48	Dardanup	RAV	1 158.58
49	Carnarvon	RAL	585.53	49	Albany	URM	1 141.50
50	Wandering	RAS	581.53	50	Mingenew	RAS	1 133.63
51	Brookton	RAS	577.65	51	Harvey	URS	1 097.98
52	Mingenew	RAS	556.46	52	Waroona	RAM	1 097.70
53	Exmouth	RTM	550.07	53	Wyndham East Kimberley	RTL	1 091.90
54	Jerramungup	RAS	544.31	54	Northam	RAV	1 001.78
55	Beverley	RAS	498.42	55	Wandering	RAS	989.35
56	Gnowangerup	RAS	498.38	56	West Arthur	RAS	950.16
57	Yilgarn	RAS	472.34	57	Donnybrook Balingup	RAL	940.22
58	Victoria Plains	RAS	469.04	58	Greater Geraldton	URM	914.01
59	Derby West Kimberley	RTL	464.41	59	York	RAM	887.66
60	Wagin	RAS	452.91	60	Beverley	RAS	862.35
61	West Arthur	RAS	446.93	61	Ngaanyatjarraku	RTM	860.43
62	Merredin	RAM	436.28		<b>State average</b>		<b>844.29</b>
63	Ravensthorpe	RAS	427.74	62	Toodyay	RAM	841.42
64	Kojonup	RAS	363.69	63	Denmark	RAL	796.36
65	Goomalling	RAS	353.80	64	Narrogin	RAL	766.72
66	Katanning	RAM	327.40	65	Boddington	RAS	757.14
67	Wyndham East Kimberley	RTL	309.72	66	Moora	RAM	753.89
68	Narrogin	RAL	303.05	67	Bruce Rock	RAS	753.13
69	Moora	RAM	300.68	68	Carnarvon	RAL	742.20
70	Boyup Brook	RAS	296.85	69	Halls Creek	RTL	739.24

## Western Australian councils ranked by grant funding 2016-17 (continued)

Western Australian councils ranked by funding per capita				Western Australian councils ranked by funding per kilometre			
General purpose grant				Local road grant			
Rank	Council name	Classification	\$ per capita	Rank	Council name	Classification	\$ per km
71	Ashburton	RTL	289.76	70	East Pilbara	RTL	736.33
72	Manjimup	RAL	274.77	71	Shark Bay	RTS	725.50
73	Chapman Valley	RAS	264.77	72	Irwin	RAM	720.53
74	Bridgetown Greenbushes	RAM	248.52	73	Dandaragan	RAM	694.28
75	Northampton	RAM	239.90	74	Katanning	RAM	681.66
76	Leonora	RTM	236.22	75	Ravensthorpe	RAS	661.31
77	York	RAM	235.41	76	Plantagenet	RAL	645.18
78	Dandaragan	RAM	222.00	77	Victoria Plains	RAS	639.94
79	Waroona	RAM	216.90	78	Esperance	RAV	637.89
80	East Pilbara	RTL	216.45	79	Northampton	RAM	630.35
81	Northam	RAV	214.03	80	Ashburton	RTL	629.06
82	Donnybrook Balingup	RAL	203.20	81	Three Springs	RAS	628.02
83	Toodyay	RAM	200.07	82	Merredin	RAM	622.66
84	Gingin	RAL	156.06	83	Broomehill-Tambellup	RAS	621.02
85	Esperance	RAV	139.49	84	Williams	RAS	620.88
86	Plantagenet	RAL	134.46	85	Cunderdin	RAS	619.19
87	Chittering	RAL	131.64	86	Quairading	RAS	618.72
88	Williams	RAS	126.44	87	Corrigin	RAS	616.02
89	Coolgardie	RTL	125.31	88	Coorow	RAS	615.15
90	Collie	RAL	119.24	89	Boyup Brook	RAS	614.70
91	Broome	RTL	107.59	90	Brookton	RAS	612.25
92	Denmark	RAL	96.26	91	Derby West Kimberley	RTL	598.61
93	Greater Geraldton	URM	89.67	92	Cranbrook	RAS	596.83
94	Port Hedland	RTL	68.09	93	Pingelly	RAS	596.55
	<b>State average</b>		<b>64.04</b>	94	Wagin	RAS	593.52
95	Serpentine Jarrahdale	UFS	63.47	95	Gnowangerup	RAS	592.47
96	Dardanup	RAV	59.85	96	Carnamah	RAS	592.35
97	Harvey	URS	57.14	97	Goomalling	RAS	590.86
98	Capel	URS	57.13	98	Wyalkatchem	RAS	585.11
99	Albany	URM	55.20	99	Trayning	RAS	581.66
100	Boddington	RAS	54.37	100	Coolgardie	RTL	578.33
101	Karratha	URS	53.00	101	Kellerberrin	RAS	575.38
102	Irwin	RAM	52.82	102	Wongan-Ballidu	RAS	572.62
103	Murray	RAV	50.78	103	Dalwallinu	RAS	570.49
104	Mundaring	UFM	31.51	104	Kojonup	RAS	570.20

## Western Australian councils ranked by grant funding 2016–17 (continued)

<i>Western Australian councils ranked by funding per capita</i>				<i>Western Australian councils ranked by funding per kilometre</i>			
<i>General purpose grant</i>				<i>Local road grant</i>			
<i>Rank</i>	<i>Council name</i>	<i>Classification</i>	<i>\$ per capita</i>	<i>Rank</i>	<i>Council name</i>	<i>Classification</i>	<i>\$ per km</i>
105	Kalgoorlie-Boulder	URM	22.84	105	Dundas	RTS	567.97
106	Perth	UCC	21.79	106	Chapman Valley	RAS	566.72
107	Armadale	UFM	19.99	107	Nungarin	RAS	566.56
108	Bayswater	UDM	19.62	108	Cuballing	RAS	566.19
109	Peppermint Grove	UDS	19.21	109	Dumbleyung	RAS	564.39
110	Mosman Park	UDS	19.21	110	Tammin	RAS	563.03
111	Cottesloe	UDS	19.21	111	Koorda	RAS	562.44
112	Bassendean	UDS	19.21	112	Wickepin	RAS	561.34
113	Claremont	UDS	19.21	113	Woodanilling	RAS	560.04
114	East Fremantle	UDS	19.21	114	Perenjori	RAS	558.01
115	Busselton	URM	19.21	115	Kulin	RAS	557.89
116	Kalamunda	UFM	19.21	116	Mukinbudin	RAS	557.82
117	Augusta Margaret River	RSG	19.21	117	Cue	RTX	556.21
118	Nedlands	UDS	19.21	118	Kondinin	RAS	555.52
119	Gosnells	UDV	19.21	119	Morawa	RAS	554.67
120	South Perth	UDM	19.21	120	Dowerin	RAS	550.15
121	Stirling	UDV	19.21	121	Westonia	RAS	548.48
122	Rockingham	UFV	19.21	122	Jerramungup	RAS	548.44
123	Joondalup	UDV	19.21	123	Narembeen	RAS	538.82
124	Cambridge	UDS	19.21	124	Lake Grace	RAS	535.57
125	Wanneroo	UFV	19.21	125	Kent	RAS	520.33
126	Melville	UDL	19.21	126	Mount Magnet	RTS	518.09
127	Victoria Park	UDM	19.21	127	Murchison	RTX	514.28
128	Cockburn	UDL	19.21	128	Meekatharra	RTM	486.14
129	Belmont	UDM	19.21	129	Mt Marshall	RAS	485.86
130	Canning	UDL	19.21	130	Leonora	RTM	483.91
131	Fremantle	UDM	19.21	131	Yalgoo	RTX	483.15
132	Mandurah	UFL	19.21	132	Yilgarn	RAS	475.11
133	Bunbury	URM	19.21	133	Sandstone	RTX	460.36
134	Kwinana	UFM	19.21	134	Upper Gascoyne	RTX	458.56
135	Vincent	UDS	19.21	135	Wiluna	RTS	427.58
136	Subiaco	UDS	19.21	136	Menzies	RTS	426.17
137	Swan	UFV	19.21	137	Laverton	RTM	211.68

Table 52 South Australian councils ranked by grant funding 2016-17

South Australian councils ranked by funding per capita				South Australian councils ranked by funding per kilometre			
General purpose grant				Local road grant			
Rank	Council name	Classification	\$ per capita	Rank	Council name	Classification	\$ per km
1	Maralinga Tjarutja	RTX	1 238.68	1	West Torrens	RTX	6 352.72
2	Karoonda East Murray	RAS	1 173.81	2	Playford	RAL	3 738.47
3	Orroroo Carrieton	RAS	1 124.41	3	Prospect	RAS	2 282.38
4	Wudinna	RAS	954.85	4	Victor Harbor	RAV	2 246.94
5	Kimba	RAS	911.33	5	Unley	RAS	2 235.87
6	Franklin Harbour	RAS	843.23	6	Norwood Payneham and St Peters	RTM	2 210.56
7	Peterborough	RAS	779.83	7	Walkerville	RAS	2 136.26
8	Flinders Ranges	RAS	735.15	8	Holdfast Bay	RAL	2 115.55
9	Elliston	RAS	684.07	9	Campbelltown	RAM	2 043.02
10	Streaky Bay	RAM	650.78	10	Charles Sturt	RAM	2 013.29
11	Goyder	RAM	626.76	11	Roxby Downs	RAM	1 995.44
12	Mount Remarkable	RAM	585.19	12	Burnside	RTX	1 975.83
13	Ceduna	RAM	553.92	13	Adelaide	RAM	1 960.03
14	Southern Mallee	RAM	540.84	14	Marion	URS	1 956.59
15	Yalata Community Inc	RTX	537.04	15	Port Adelaide Enfield	RAL	1 915.80
16	Cleve	RAS	532.85	16	Salisbury	RAV	1 849.09
17	Coober Pedy	URS	445.56	17	Tea Tree Gully	RTX	1 828.80
18	Coorong	RAL	431.37	18	Mitcham	RTM	1 826.63
19	Anangu Pitjantjatjara	RTM	410.99	19	Mount Gambier	RAM	1 714.65
20	Outback Communities Authority	RTM	378.60	20	Onkaparinga	RAS	1 547.77
21	Mid Murray	RAL	374.24	21	Town of Gawler	RAM	1 545.54
22	Nipapanha	RTX	365.67	22	Port Lincoln	RAL	1 397.08
23	Tatiara	RAL	363.37	23	Whyalla	RAL	1 361.33
24	Kangaroo Island	RAM	316.64	24	Barossa	RAS	813.78
25	Loxton Waikerie	RAV	312.64	25	Mount Barker	RAM	705.37
26	Northern Areas	RAM	309.74	26	Port Augusta	RAM	683.04
27	Renmark Paringa	RAL	272.53	27	Adelaide Hills	RAL	683.03
28	Naracoorte Lucindale	RAL	268.68	28	Yalata Community Inc	UDV	654.22
29	Wakefield	RAL	264.91	29	Elliston	UDM	590.98
30	Berri Barmera	RAV	228.23		<b>State average</b>		<b>494.85</b>
31	Kingston	RAM	227.94	30	Rural Murray Bridge	RAL	473.89
32	Port Pirie	RAV	222.60	31	Light	RAS	461.94
33	Tumby Bay	RAM	201.81	32	Renmark Paringa	UFM	437.51
34	Gerard	RTX	193.31	33	Berri Barmera	URS	435.67

## South Australian councils ranked by grant funding 2016–17 (continued)

South Australian councils ranked by funding per capita				South Australian councils ranked by funding per kilometre			
General purpose grant				Local road grant			
Rank	Council name	Class ification	\$ per capita	Rank	Council name	Class ification	\$ per km
35	Port Augusta	URS	182.63	34	Alexandrina	RAS	411.92
36	Whyalla	URS	169.38	35	Kingston	RAV	380.52
37	Wattle Range	RAV	167.40	36	Mid Murray	UFS	380.04
38	Rural Murray Bridge	URS	152.37	37	Tatiara	URS	374.72
39	Barunga West	RAM	141.88	38	Coorong	UDM	339.35
40	Yorke Peninsula	RAV	129.95	39	Port Pirie	RAL	333.65
41	Mallala	RAL	120.85	40	Copper Coast	RAL	327.76
42	Grant	RAL	120.62	41	Naracoorte Lucindale	RTX	310.23
43	Copper Coast	RAV	104.00	42	Loxton Waikerie	URM	307.46
44	Playford	UFL	98.32	43	Grant	RAV	303.07
45	Lower Eyre Peninsula	RAL	93.23	44	Lower Eyre Peninsula	RAM	297.25
46	Mount Gambier	URS	83.81	45	Southern Mallee	UDL	292.37
47	Port Lincoln	URS	73.77	46	Kangaroo Island	UFS	282.79
	<b>State average</b>		<b>67.02</b>	47	Yankalilla	RAM	272.17
48	Clare and Gilbert Valleys	RAL	62.10	48	Franklin Harbour	UDM	268.52
49	Town of Gawler	UFS	52.81	49	Streaky Bay	UDL	259.07
50	Salisbury	UDV	45.53	50	Mallala	RAL	256.01
51	Onkaparinga	UFV	31.57	51	Wattle Range	RAL	253.67
52	Yankalilla	RAL	27.55	52	Karoonda East Murray	UFL	252.97
53	Alexandrina	UFS	26.24	53	Ceduna	UCC	250.60
54	Barossa	UFS	23.85	54	Cleve	UDV	247.57
55	Mount Barker	URM	20.92	55	Robe	RAS	241.49
56	Walkerville	UDS	20.69	56	Tumby Bay	RAV	229.81
57	Robe	RAS	20.43	57	Flinders Ranges	UDM	229.56
58	Adelaide Hills	UFM	20.38	58	Wudinna	URS	226.90
59	Adelaide	UCC	20.38	59	Clare and Gilbert Valleys	RAS	205.39
60	Victor Harbor	URS	20.38	60	Goyder	URS	201.62
61	Charles Sturt	UDL	20.38	61	Yorke Peninsula	RAV	201.52
62	Light	RAV	20.38	62	Barunga West	RAV	201.32
63	Port Adelaide Enfield	UDV	20.38	63	Peterborough	UDS	192.23
64	Campbelltown	UDM	20.38	64	Wakefield	RAS	191.32
65	Roxby Downs	URS	20.38	65	Northern Areas	URS	176.62
66	Prospect	UDS	20.38	66	Mount Remarkable	UDM	171.05
67	Unley	UDM	20.38	67	Kimba	UDM	170.94

## South Australian councils ranked by grant funding 2016-17 (continued)

<b>South Australian councils ranked by funding per capita</b>				<b>South Australian councils ranked by funding per kilometre</b>			
<b>General purpose grant</b>				<b>Local road grant</b>			
<b>Rank</b>	<b>Council name</b>	<b>Class ification</b>	<b>\$ per capita</b>	<b>Rank</b>	<b>Council name</b>	<b>Class ification</b>	<b>\$ per km</b>
68	Marion	UDL	20.38	68	Orroroo Carrieton	UDS	151.70
69	Norwood Payneham and St Peters	UDM	20.38	69	Coober Pedy	UDL	105.77
70	Holdfast Bay	UDM	20.38	70	Anangu Pitjantjatjara	URS	45.64
71	Burnside	UDM	20.38	71	Gerard	UFS	-
72	West Torrens	UDM	20.38	72	Maralinga Tjarutja	UDM	-
73	Tea Tree Gully	UDL	20.38	73	Nipapanha	URS	-
74	Mitcham	UDM	20.38	74	Outback Communities Authority	UFV	-

Table 53 Tasmanian councils ranked by grant funding 2016–17

<i>Tasmanian councils ranked by funding per capita</i>				<i>Tasmanian councils ranked by funding per kilometre</i>			
<i>General purpose grant</i>				<i>Local road grant</i>			
<i>Rank</i>	<i>Council name</i>	<i>Class ification</i>	<i>\$ per capita</i>	<i>Rank</i>	<i>Council name</i>	<i>Class ification</i>	<i>\$ per km</i>
1	Flinders	RTS	774.85	1	Hobart	UCC	5 012.73
2	King Island	RAS	466.10	2	Glenorchy	UFM	4 216.41
3	Central Highlands	RAM	392.19	3	Devonport	URS	4 180.54
4	West Coast	RAM	277.54	4	Launceston	URM	3 660.25
5	Southern Midlands	RAL	268.80	5	West Coast	RTL	3 224.01
6	Dorset	RAL	235.04	6	Burnie	URS	3 214.99
7	Kentish	RAL	227.24	7	Clarence	UFM	3 178.98
8	Break O'day	RAL	190.23	8	George Town	RAL	2 923.06
9	Tasman	RAM	187.04	9	Brighton	URS	2 902.04
10	Circular Head	RAL	152.62	10	Central Coast	URS	2 729.17
11	George Town	RAL	143.72	11	Break O'day	RAL	2 645.12
12	Derwent Valley	RAV	123.37	12	West Tamar	UFS	2 569.64
13	Huon Valley	RAV	120.22	13	Latrobe	RAV	2 493.46
14	Meander Valley	RAV	105.81	14	Meander Valley	RAL	2 475.68
15	Waratah - Wynyard	RAV	104.56	15	Kingborough	RAV	2 469.38
16	Central Coast	URS	89.96	16	Derwent Valley	RAM	2 469.04
17	Northern Midlands	RAV	89.69	17	Glamorgan Spring Bay	RAV	2 452.98
18	West Tamar	UFS	80.67	18	Dorset	UFM	2 423.13
19	Sorell	RAV	79.67	19	Sorell	RAL	2 407.46
20	Glamorgan Spring Bay	RAM	76.85	20	Tasman	RAM	2 405.52
	<b>State average</b>		<b>73.39</b>	21	Waratah - Wynyard	RAV	2 370.91
21	Latrobe	RAV	66.90	22	Kentish	RAL	2 358.92
22	Brighton	URS	62.73	23	Circular Head	RAL	2 350.52
23	Burnie	URS	56.13	24	Northern Midlands	RAV	2 268.46
24	Devonport	URS	31.61		<b>State average</b>		<b>2 212.03</b>
25	Clarence	UFM	19.87	25	King Island	RAS	2 157.10
26	Glenorchy	URM	19.87	26	Huon Valley	RAV	2 087.42
27	Hobart	UCC	19.87	27	Flinders	RAS	1 977.07
28	Kingborough	UFM	19.87	28	Central Highlands	RAM	1 916.80
29	Launceston	URM	19.87	29	Southern Midlands	RAL	1 883.16

Table 54 Northern Territory councils ranked by grant funding 2016-17

<i>Northern Territory councils ranked by funding per capita</i>				<i>Northern Territory councils ranked by funding per kilometre</i>			
<i>General purpose grant</i>				<i>Local road grant</i>			
<i>Rank</i>	<i>Council name</i>	<i>Class ification</i>	<i>\$ per capita</i>	<i>Rank</i>	<i>Council name</i>	<i>Class ification</i>	<i>\$ per km</i>
1	East Arnhem	RTL	287.38	1	Alice Springs	URS	3 731.13
2	MacDonnell	RTS	249.11	2	Darwin	UCC	3 403.65
3	Roper Gulf	RTL	245.42	3	Litchfield	RAV	3 397.01
4	Central Desert	RTL	216.80	4	Palmerston	UFS	3 281.86
5	Barkly	RTL	211.64	5	Katherine	URS	3 251.09
6	West Arnhem	RTL	160.89	6	Wagait	RTX	3 125.82
7	Victoria Daly	RTL	148.00	7	Coomalie	RTM	2 302.43
8	West Daly	RTL	142.18	8	Victoria Daly	RTL	2 027.19
9	Tiwi Islands	RTM	139.01		<b>State average</b>		<b>1 238.21</b>
10	Belyuen	RTX	122.67	9	West Daly	RTL	1 203.00
	<b>State average</b>		<b>68.16</b>	10	Tiwi Islands	RTM	1 111.37
11	Katherine	URS	49.78	11	East Arnhem	RTL	1 096.54
12	Alice Springs	URS	25.28	12	Roper Gulf	RTL	1 092.71
13	Darwin	UCC	20.45	13	West Arnhem	RTL	929.00
14	Palmerston	UFS	20.45	14	Barkly	RTL	783.14
15	Coomalie	RTM	20.45	15	Local Government Association of the Northern Territory Inc	URL	681.74
16	Litchfield	RAV	20.45	16	MacDonnell	RTS	616.82
17	Wagait	RTX	20.45	17	Central Desert	RTL	464.80
18	Local Government Association of the Northern Territory Inc	ZZZ	–	18	Belyuen	RTX	377.65

# 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 the 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 *Local Government (Financial Assistance) Act 1995* (Cwth) (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 55 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 in the classification of councils in their state at the end of each financial year.

Table 55 Structure of the classification system

<i>Step 1</i>	<i>Step 2</i>	<i>Step 3</i>	<i>Identifiers</i>	<i>Category</i>
<b>URBAN (U)</b>				
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)	SMALL (S)	up to 30 000	UDS
	Part of an urban centre of more than 1 000 000 or population density more than 600 per square kilometre	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)	SMALL (S)	up to 30 000	URS
		MEDIUM (M)	30 001–70 000	URM
		LARGE (L)	70 001–120 000	URL
	Part of an urban centre with population less than 1 000 000 and predominantly urban in nature	VERY LARGE (V)	more than 120 000	URV
		SMALL (S)	up to 30 000	UFS
		MEDIUM (M)	30 001–70 000	UFM
	FRINGE (F)	LARGE (L)	70 001–120 000	UFL
VERY LARGE (V)		more than 120 000	UFV	
<b>Rural (R)</b>				
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)	Not applicable		RSG
	Average annual population growth more than three per cent, population more than 5000 and not remote			
	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
			401–1 000	RTS
		SMALL (S)	1 001–3 000	RTM
		MEDIUM (M)	3 001–20 000	RTL
		LARGE (L)		

Table 56 Categories of local governments by state at July 2016

<b>State ACLG categories</b>	<b>NSW</b>	<b>VIC</b>	<b>QLD</b>	<b>WA</b>	<b>SA</b>	<b>TAS</b>	<b>NT*</b>	<b>Australia</b>
Urban Capital City (UCC)	1	1	1	1	1	1	1	7
Urban Development Small (UDS)	1	0	0	10	2	0	0	13
Urban Development Medium (UDM)	4	0	0	5	7	0	0	16
Urban Development Large (UDL)	3	7	0	3	3	0	0	16
Urban Development Very Large (UDV)	17	15	0	3	2	0	0	37
Urban Regional Small (URS)	8	0	5	3	8	4	2	30
Urban Regional Medium (URM)	18	16	8	5	1	2	0	50
Urban Regional Large (URL)	8	3	4	0	0	0	0	15
Urban Regional Very Large (URV)	4	1	9	0	0	0	0	14
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)	2	6	0	3	1	0	0	12
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



# Index of local governments

## A

Adelaide, 197, 224, 227  
Adelaide Hills, 193, 225, 226  
Albany, 187, 220, 222  
Albury, 170, 205, 207  
Alexandrina, 193, 225, 226  
Alice Springs, 137, 139, 200, 230  
Alpine, 179, 211, 212  
Anangu Pitjantjatjara, 118, 193, 224, 227  
Ararat, 179, 211, 213  
Armadale, 187, 219, 222  
Armidale, 32, 170  
Armidale Dumaresq, 32, 170, 207  
Ashburton, 187, 221  
Ashfield, 32, 170, 204, 209  
Auburn, 32, 61, 170, 204, 209  
Augusta Margaret River, 188, 220, 223  
Aurukun, 183, 216

## B

Ballarat, 179, 211, 212  
Ballina, 170, 206, 208  
Balonne, 183, 216, 217  
Balranald, 61, 170, 204, 210  
Banana, 183, 216, 217  
Bankstown, 32, 61, 170, 205, 209  
Banyule, 85, 179, 211, 213  
Barcaldine, 183, 215, 217  
Barcoo, 183, 215, 218  
Barkly, 137, 139, 200, 230  
Barossa, 197, 225, 226  
Barunga West, 194, 225, 226  
Bass Coast, 179, 212  
Bassendean, 192, 219, 223  
Bathurst, 170, 206, 207  
Baw Baw, 73, 179, 212  
Bayside, 72, 179, 212, 213  
Bayswater, 187, 219, 223  
Bega Valley, 170, 207  
Bellingen, 170, 206  
Belmont, 187, 219, 223  
Belyuen, 200, 230  
Benalla, 179, 212, 213  
Berri Barmera, 122, 193, 225  
Berrigan, 170, 205, 209  
Beverley, 188, 220, 221  
Blackall-Tambo, 183, 216, 217  
Blacktown, 61, 170, 205, 208  
Bland, 170, 204, 210  
Blayney, 170, 206, 207  
Blue Mountains, 170, 206, 208  
Boddington, 188, 221, 222  
Bogan, 170, 204, 209

Bombala, 32, 170, 204, 208  
Boorowa, 32, 170, 205, 209  
Boroondara, 72, 179, 212, 213  
Botany Bay, 170, 204, 209  
Boulia, 183, 215, 218  
Bourke, 170, 204, 210  
Boyup Brook, 188, 220, 221  
Break O'Day, 198, 228  
Brewarrina, 61, 171, 204, 209  
Bridgetown Greenbushes, 188, 220, 221  
Brighton, 198, 228  
Brimbank, 179, 211, 213  
Brisbane, 91, 183, 215, 218  
Broken Hill, 172, 205, 206  
Brookton, 188, 220, 221  
Broome, 105, 188, 220, 221  
Broomehill-Tambellup, 105, 188, 220, 221  
Bruce Rock, 105, 188, 219, 220  
Bulloo, 183, 215, 218  
Buloke, 179, 211, 214  
Bunbury, 187, 219, 223  
Bundaberg, 183, 215, 217  
Burdekin, 183, 216, 217  
Burke, 183, 215, 218  
Burnie, 198, 228  
Burnside, 193, 224, 227  
Burwood, 171, 204, 209  
Busselton, 187, 219, 223  
Byron, 61, 171, 206, 208

## C

Cabonne, 171, 206, 208  
Cairns, 91, 183, 215, 218  
Cambridge, 192, 219, 223  
Camden, 176, 205, 209  
Campaspe, 179, 212, 213  
Campbelltown (NSW), 171, 205, 208  
Campbelltown (SA), 194, 224, 226  
Canada Bay, 171, 204, 209  
Canning, 187, 219, 223  
Canterbury, 32, 61, 171, 204, 209  
Canterbury-Bankstown, 32, 171  
Capel, 105, 188, 220, 222  
Cardinia, 179, 211, 212  
Carnamah, 188, 219, 221  
Carnarvon, 188, 220, 221  
Carpentaria, 183, 215, 217  
Carrathool, 61, 171, 204, 210  
Casey, 179, 212, 213  
Cassowary Coast, 183, 215, 217  
Ceduna, 194, 224, 226  
Central Coast (NSW), 32, 171  
Central Coast (Tas.), 198, 228

Central Darling, 61, 171, 204, 210  
 Central Desert, 200, 230  
 Central Goldfields, 179, 211, 213  
 Central Highlands (Qld), 183, 217  
 Central Highlands (Tas.), 198, 228, 229  
 Cessnock, 171, 206, 207  
 Chapman Valley, 188, 221, 222  
 Charles Sturt, 193, 224, 226  
 Charters Towers, 183, 216, 217  
 Cherbourg, 93, 183, 216  
 Chittering, 188, 220, 221  
 Circular Head, 198, 228  
 Clare and Gilbert Valleys, 193, 226  
 Claremont, 192, 219, 222  
 Clarence, 127, 198, 228, 229  
 Clarence Valley, 171, 207  
 Cleve, 194, 224, 226  
 Cloncurry, 183, 216, 217  
 Cobar, 171, 204, 209  
 Cockburn, 109, 187, 219, 222  
 Coffs Harbour, 171, 205, 208  
 Colac Otway, 73, 180, 211, 212  
 Collie, 188, 220, 221  
 Conargo, 32, 171, 204, 210  
 Coober Pedy, 122, 194, 224, 227  
 Cook, 183, 215, 217  
 Coolamon, 171, 205, 209  
 Coolgardie, 188, 221, 222  
 Cooma-Monaro, 32, 172, 206, 208  
 Coomalie, 200, 230  
 Coonamble, 172, 204, 209  
 Coorong, 193, 224, 225  
 Coorow, 188, 220, 221  
 Cootamundra, 32, 172, 206, 207  
 Copper Coast, 193, 225  
 Corangamite, 180, 211, 212  
 Corowa, 32, 172, 206, 208  
 Corrigin, 188, 220, 221  
 Cottesloe, 192, 219, 222  
 Cowra, 172, 206, 208  
 Cranbrook, 188, 220  
 Croydon, 183, 215, 218  
 Cuballing, 188, 220, 222  
 Cue, 188, 219, 222  
 Cumberland, 32, 172  
 Cunderdin, 188, 220, 221

## D

Dalwallinu, 188, 219, 222  
 Dandaragan, 103, 188, 221  
 Dardanup, 188, 220, 222  
 Darebin, 179, 211, 213  
 Darwin, 200, 230  
 Deniliquin, 32, 172, 206  
 Denmark, 189, 220, 221  
 Derby West Kimberley, 189, 220, 221  
 Derwent Valley, 198, 228  
 Devonport, 198, 228  
 Diamantina, 184, 215, 218  
 Donnybrook Balingup, 189, 220, 221  
 Doomadgee, 184, 216  
 Dorset, 198, 228  
 Douglas, 184, 215, 217  
 Dowerin, 189, 219, 222  
 Dubbo, 32, 172, 207

Dumbleyung, 189, 219, 222  
 Dundas, 189, 220, 222  
 Dungog, 172, 207

## E

East Arnhem, 200, 230  
 East Fremantle, 192, 219, 222  
 East Gippsland, 180, 211, 212  
 East Pilbara, 189, 221  
 Edward River, 32, 172  
 Elliston, 194, 224, 225  
 Esperance, 105, 189, 221  
 Etheridge, 184, 215, 218  
 Eurobodalla, 172, 206, 207  
 Exmouth, 189, 220

## F

Fairfield, 61, 172, 205, 208  
 Federation, 32, 172  
 Flinders (Qld), 184, 215, 217  
 Flinders (Tas.), 128, 198, 228, 229  
 Flinders Ranges, 197, 224, 225  
 Forbes, 172, 205, 208  
 Franklin Harbour, 194, 224, 226  
 Frankston, 180, 212, 213  
 Fraser Coast, 184, 215, 217  
 Fremantle, 187, 219, 222

## G

Gannawarra, 180, 211, 213  
 Gawler, 197, 224, 226  
 George Town, 198, 228  
 Georges River, 32, 173  
 Gerard, 118, 195, 225, 227  
 Gilgandra, 173, 205, 209  
 Gingin, 103, 189, 220, 221  
 Gladstone, 184, 215, 217  
 Glamorgan Spring Bay, 127, 198, 228  
 Glen Eira, 72, 179, 212, 214  
 Glen Innes Severn, 173, 206, 207  
 Glenelg, 73, 180, 211, 212  
 Glenorchy, 127, 198, 228, 229  
 Gloucester, 32, 173, 206, 207  
 Gnowangerup, 105, 189, 220, 222  
 Gold Coast, 91, 184, 215, 218  
 Golden Plains, 180, 212, 213  
 Goomalling, 189, 221, 222  
 Goondiwindi, 184, 216, 217  
 Gosford, 32, 173, 205, 208  
 Gosnells, 187, 219, 222  
 Goulburn Mulwaree, 173, 207  
 Goyder, 196, 224, 226  
 Grant, 195, 225  
 Great Lakes, 32, 173, 206, 207  
 Greater Bendigo, 180, 212, 213  
 Greater Dandenong, 179, 211, 213  
 Greater Geelong, 73, 179, 212, 213  
 Greater Geraldton, 187, 220, 222  
 Greater Hume, 173, 205, 208  
 Greater Shepparton, 180, 212, 213  
 Greater Taree, 32, 173, 206, 207  
 Griffith, 173, 207  
 Gundagai, 32, 173, 205, 208  
 Gundagai Shire, 32, 173

Gunnedah, 173, 206, 208  
 Guyra, 32, 173, 206, 208  
 Gwydir, 173, 205, 209  
 Gympie, 184, 216, 217

## H

Halls Creek, 189, 220, 221  
 Harden, 32, 173, 205, 208  
 Harvey, 189, 220, 222  
 Hawkesbury, 61, 173, 206, 209  
 Hay, 173, 204, 209  
 Hepburn, 73, 180, 211, 213  
 The Hills, 32, 177, 205, 210  
 Hilltops, 32, 173  
 Hinchinbrook, 184, 216, 217  
 Hindmarsh, 180, 211, 214  
 Hobart, 127, 198, 228, 229  
 Hobsons Bay, 72, 73, 180, 211, 213  
 Holdfast Bay, 193, 224, 227  
 Holroyd, 32, 173, 204, 209  
 Hope Vale, 184, 216  
 Hornsby, 32, 173, 205, 210  
 Horsham, 73, 180, 212, 214  
 Hume, 73, 180, 211, 213  
 Hunter's Hill, 173, 205, 210  
 Huon Valley, 198, 228, 229  
 Hurstville, 32, 173, 204, 209

## I

Indigo, 180, 212, 213  
 Inner West, 32, 174  
 Inverell, 174, 206, 208  
 Ipswich, 91, 184, 215, 218  
 Irwin, 105, 189, 221, 222  
 Isaac, 184, 216, 217

## J

Jerilderie, 32, 177, 204, 210  
 Jerramungup, 189, 220, 222  
 Joondalup, 187, 219, 222  
 Junee, 174, 205, 208

## K

Kalamunda, 189, 219, 222  
 Kalgoorlie-Boulder, 187, 220, 222  
 Kangaroo Island, 196, 225, 226  
 Karoonda East Murray, 195, 224, 226  
 Karratha, 187, 220, 222  
 Katanning, 189, 221  
 Katherine, 139, 200, 230  
 Kellerberrin, 189, 219, 222  
 Kempsey, 174, 206, 207  
 Kent, 189, 219, 223  
 Kentish, 198, 228  
 Kiama, 174, 206, 208  
 Kimba, 195, 224, 227  
 King Island, 198, 228  
 Kingborough, 127, 198, 228  
 Kingston (SA), 196, 225  
 Kingston (Vic.), 180, 211, 214  
 Knox, 179, 212, 213  
 Kogarah, 32, 174, 204, 209  
 Kojonup, 105, 189, 221, 222  
 Kondinin, 189, 220, 223

Koorda, 189, 219, 222  
 Kowanyama, 184, 216, 217  
 Ku-ring-gai, 174, 205, 210  
 Kulin, 189, 219, 222  
 Kwinana, 187, 219, 223  
 Kyogle, 174, 206, 207

## L

Lachlan, 174, 204, 210  
 Lake Grace, 189, 220, 223  
 Lake Macquarie, 174, 206, 208  
 Lane Cove, 174, 205, 209  
 Latrobe (Tas.), 198, 228  
 Latrobe (Vic.), 73, 180, 211, 212  
 Launceston, 199, 228, 229  
 Laverton, 189, 219, 223  
 Leeton, 174, 206, 208  
 Leichhardt, 32, 174, 204, 209  
 Leonora, 190, 221, 223  
 Light, 196, 226  
 Lismore, 174, 206, 207  
 Litchfield, 137, 139, 200, 230  
 Lithgow, 171, 206, 207  
 Liverpool, 174, 205, 209  
 Liverpool Plains, 174, 206, 208  
 Livingstone, 184, 215, 217  
 Local Government Association of the Northern Territory Inc,  
 200, 230  
 Lockhart, 174, 204, 209  
 Lockhart River, 184, 215, 217  
 Lockyer Valley, 184, 215, 217  
 Loddon, 180, 211, 214  
 Logan, 91, 184, 215, 218  
 Longreach, 185, 215, 217  
 Lord Howe Island, 1, 62, 174, 204, 210  
 Lower Eyre Peninsula, 195, 226  
 Loxton Waikerie, 195, 225, 226

## M

MacDonnell, 141, 200, 230  
 Macedon Ranges, 180, 212, 213  
 Mackay, 185, 215, 218  
 McKinlay, 185, 215, 218  
 Maitland, 174, 206, 208  
 Mallala, 196, 225, 226  
 Mandurah, 187, 219, 223  
 Manjimup, 190, 220, 221  
 Manly, 32, 174, 204, 209  
 Manningham, 72, 181, 212, 214  
 Mansfield, 73, 181, 211, 213  
 Mapoon, 185, 215, 216  
 Maralinga Tjarutja, 118, 196, 224, 227  
 Maranoa, 185, 216, 217  
 Mareeba, 185, 216  
 Maribyrnong, 179, 211, 213  
 Marion, 194, 224, 227  
 Maroondah, 181, 212, 213  
 Marrickville, 32, 61, 172, 204, 209  
 Meander Valley, 199, 228  
 Meekatharra, 190, 219, 223  
 Melbourne, 72, 181, 211, 213  
 Melton, 181, 211, 212  
 Melville, 187, 219, 223  
 Menzies, 190, 219, 223

Merredin, 190, 220, 221  
 Mid-Coast, 32, 174  
 Mid Murray, 196, 224, 226  
 Mid-Western, 174, 207  
 Mildura, 181, 212, 214  
 Mingenew, 190, 220, 221  
 Mitcham, 193, 224, 226  
 Mitchell, 181, 212, 213  
 Moira, 181, 211, 213  
 Monash, 72, 181, 212, 214  
 Moonee Valley, 72, 181, 211, 214  
 Moora, 190, 221  
 Moorabool, 73, 181, 212, 213  
 Morawa, 105, 190, 219, 222  
 Moree Plains, 174, 205, 209  
 Moreland, 181, 211, 213  
 Moreton Bay, 91, 185, 215, 218  
 Mornington, 185, 216  
 Mornington Peninsula, 73, 181, 212, 213  
 Mosman, 175, 205, 209  
 Mosman Park, 192, 219, 222  
 Mount Alexander, 181, 212, 213  
 Mount Barker, 195, 225, 226  
 Mount Gambier, 193, 224, 226  
 Mount Isa, 185, 216, 217  
 Mount Magnet, 190, 219, 223  
 Mt Marshall, 190, 219, 223  
 Mount Remarkable, 195, 224, 227  
 Moyne, 181, 211, 212  
 Mukinbudin, 190, 219, 222  
 Mundaring, 190, 220, 222  
 Murchison, 190, 219, 223  
 Murray (NSW), 32, 175, 205, 208  
 Murray (WA), 190, 220, 222  
 Murray Bridge, 196, 225  
 Murray River, 32, 175  
 Murrindindi, 181, 211, 212  
 Murrumbidgee, 32, 175, 205, 209  
 Murrumbidgee Shire, 32, 175  
 Murweh, 185, 216, 217  
 Muswellbrook, 175, 207

## N

Nambucca, 175, 206, 207  
 Nannup, 190, 219, 220  
 Napranum, 185, 216, 217  
 Naracoorte Lucindale, 196, 225  
 Narembeen, 190, 219, 222  
 Narrabri, 175, 205, 209  
 Narrandera, 175, 205, 209  
 Narrrogin, 190, 220, 222  
 Narrrogin (Town), 105, 190, 219, 221  
 Narromine, 175, 205, 209  
 Nedlands, 187, 219, 222  
 Newcastle, 175, 205, 208  
 Ngaanyatjarraku, 190, 219, 220  
 Nillumbik, 181, 212, 213  
 Nipapanha, 118, 196, 225, 227  
 Noosa, 91, 185, 215, 218  
 North Burnett, 185, 216, 217  
 North Sydney, 175, 204, 209  
 Northam, 105, 190, 220, 221  
 Northampton, 190, 221  
 Northern Areas, 196, 225, 226  
 Northern Beaches, 32, 175

Northern Grampians, 73, 181, 211, 213  
 Northern Midlands, 199, 228  
 Northern Peninsula, 93, 185, 215, 217  
 Norwood Payneham and St Peters, 194, 224, 227  
 Nungarin, 190, 219, 222

## O

Oberon, 175, 205, 209  
 Onkaparinga, 193, 224, 226  
 Orange, 175, 205, 208  
 Ororoo Carrieton, 195, 224, 227  
 Outback Communities Authority, 117-118, 122, 196, 224, 227

## P

Palerang, 32, 175, 207  
 Palm Island, 93, 185, 215, 216  
 Palmerston, 200, 230  
 Parkes, 175, 206, 208  
 Paroo, 185, 215, 217  
 Parramatta, 32, 171, 175, 204, 209  
 Penrith, 175, 205, 208  
 Peppermint Grove, 190, 219, 223  
 Perenjori, 190, 219, 222  
 Perth, 187, 219, 222  
 Peterborough, 195, 224, 226  
 Pingelly, 190, 220, 221  
 Pittwater, 32, 175, 205, 209  
 Plantagenet, 190, 221  
 Playford, 193, 224, 225  
 Pormpuraaw, 93, 185, 215, 217  
 Port Adelaide Enfield, 193, 224, 226  
 Port Augusta, 194, 225  
 Port Hedland, 105, 192, 220, 222  
 Port Lincoln, 193, 225, 226  
 Port Macquarie Hastings, 175, 206, 208  
 Port Phillip, 72, 180, 211, 214  
 Port Pirie, 196, 225  
 Port Stephens, 175, 206, 208  
 Prospect, 193, 224, 227  
 Pyrenees, 181, 211, 213

## Q

Quairading, 191, 220, 221  
 Queanbeyan, 32, 61, 176, 204, 208  
 Queanbeyan-Palerang, 32, 176  
 Queenscliffe, 179, 213  
 Quilpie, 185, 215, 218

## R

Randwick, 176, 204, 210  
 Ravensthorpe, 191, 221, 222  
 Redland, 91, 185, 215, 218  
 Renmark Paringa, 196, 225  
 Richmond, 185, 215, 218  
 Richmond Valley, 176, 207  
 Robe, 195, 226  
 Rockdale, 176, 204, 210  
 Rockhampton, 186, 215, 217  
 Rockingham, 187, 219, 222  
 Roper Gulf, 139, 200, 230  
 Roxby Downs, 196, 224, 227  
 Ryde, 172, 204, 210

## S

Salisbury, 193, 224, 226  
 Sandstone, 191, 219, 223  
 Scenic Rim, 186, 216, 217  
 Serpentine Jarrahdale, 191, 220, 222  
 Shark Bay, 191, 219, 221  
 Shellharbour, 172, 205, 208  
 Shoalhaven, 176, 206, 208  
 Silverton, 1, 62, 176, 204, 210  
 Singleton, 176, 206, 207  
 Snowy Monaro, 32, 176  
 Snowy River, 32, 176, 205, 208  
 Snowy Valleys, 32, 176  
 Somerset, 186, 216, 217  
 Sorell, 127, 199, 228  
 South Burnett, 186, 216, 217  
 South Gippsland, 73, 182, 211  
 South Perth, 187, 219, 223  
 Southern Downs, 186, 216, 217  
 Southern Grampians, 182, 211, 213  
 Southern Mallee, 197, 224, 225  
 Southern Midlands, 199, 228, 229  
 Stirling, 187, 219, 222  
 Stonnington, 72, 182, 211, 214  
 Strathbogie, 181, 211, 213  
 Strathfield, 176, 204, 210  
 Streaky Bay, 195, 224, 226  
 Subiaco, 187, 219, 223  
 Sunshine Coast, 91, 186, 215, 218  
 Surf Coast, 182, 212  
 Sutherland, 176, 205, 210  
 Swan, 187, 219, 222  
 Swan Hill, 182, 211, 214  
 Sydney, 176, 204, 210

## T

Tablelands, 186, 216, 217  
 Tammin, 191, 219, 222  
 Tamworth, 176, 207  
 Tasman, 127, 199, 228  
 Tatiara, 197, 225  
 Tea Tree Gully, 194, 224, 226  
 Temora, 176, 205, 209  
 Tenterfield, 176, 205, 208  
 Three Springs, 191, 220, 221  
 Tibooburra, 1, 62, 177, 204, 210  
 Tiwi Islands, 200, 230  
 Toodyay, 105, 191, 220, 221  
 Toowoomba, 186, 216, 217  
 Torres, 186, 216  
 Torres Strait Island, 186, 215, 216  
 Townsville, 186, 215, 218  
 Towong, 182, 211, 213  
 Trayning, 191, 219, 222  
 Tumbarumba, 32, 177, 205, 207  
 Tumby Bay, 195, 225, 226  
 Tumut, 32, 177, 206, 207  
 Tweed, 177, 205, 208

## U

Unley, 194, 224, 226  
 Upper Gascoyne, 191, 219, 223  
 Upper Hunter, 177, 206, 207  
 Upper Lachlan, 177, 205, 208

Uralla, 177, 206, 208  
 Urana, 32, 177, 204, 209

## V

Victor Harbor, 193, 224, 226  
 Victoria Daly, 200, 230  
 Victoria Park, 192, 219, 223  
 Victoria Plains, 105, 191, 220, 221  
 Vincent, 187, 219, 222

## W

Wagait, 200, 230  
 Wagga Wagga, 177, 207  
 Wagin, 191, 220, 222  
 Wakefield, 197, 225, 226  
 Wakool, 32, 172, 204, 208  
 Walcha, 177, 205, 208  
 Walgett, 177, 204, 209  
 Walkerville, 194, 224, 227  
 Wandering, 191, 220, 221  
 Wangaratta, 182, 212, 213  
 Wanneroo, 187, 219, 222  
 Waratah/Wynyard, 199, 228  
 Waroona, 191, 220, 221  
 Warren, 177, 204, 209  
 Warringham, 32, 177, 205, 210  
 Warrnambool, 182, 211, 212  
 Warrumbungle, 177, 205, 209  
 Wattle Range, 197, 225, 226  
 Waverley, 177, 204, 209  
 Weddin, 177, 205, 209  
 Wellington (NSW), 32, 177, 206, 208  
 Wellington (Vic.), 73, 182, 212  
 Wentworth, 177, 204, 209  
 West Arnhem, 201, 230  
 West Arthur, 191, 220, 222  
 West Coast, 199, 228  
 West Daly, 201, 230  
 West Tamar, 199, 228  
 West Torrens, 193, 224, 227  
 West Wimmera, 182, 211, 214  
 Western Downs, 186, 216, 217  
 Western Plains, 32, 177  
 Westonia, 191, 219, 222  
 Whitehorse, 72, 182, 212, 214  
 Whitsunday, 186, 216, 217  
 Whittlesea, 180, 211, 213  
 Whyalla, 194, 225  
 Wickepin, 191, 219, 222  
 Williams, 191, 221  
 Willoughby, 178, 204, 209  
 Wiluna, 191, 219, 223  
 Wingecarribee, 178, 206, 208  
 Winton, 186, 215, 218  
 Wodonga, 182, 211, 212  
 Wollondilly, 178, 206, 208  
 Wollongong, 178, 205, 208  
 Wongan-Ballidu, 191, 220, 222  
 Woodanilling, 191, 219, 222  
 Woollahra, 172, 204, 209  
 Woorabinda, 186, 216  
 Wudinna, 197, 224, 225  
 Wujal Wujal, 186, 215, 216  
 Wyalkatchem, 105, 191, 219, 222

Wyndham, 182, 212, 213  
Wyndham East Kimberley, 191, 220, 221  
Wyong, 32, 178, 206, 208

## Y

Yalata, 118, 197, 224, 225  
Yalgoo, 191, 219, 223  
Yankalilla, 195, 226  
Yarra, 72, 182, 211, 213  
Yarra Ranges, 73, 182, 211, 213  
Yarrabah, 93, 186, 215, 216  
Yarriambiack, 182, 211, 214  
Yass Valley, 178, 207  
Yilgarn, 191, 220, 223  
York, 192, 220, 221  
Yorke Peninsula, 122, 197, 225, 226  
Young, 32, 176, 206, 208

# Alphabetical index

## A

Aboriginal and Councils Partnerships Program (Vic.), 79  
Aboriginal communities, see Indigenous communities  
Aboriginal Employment Industry Clusters Program (SA), 121  
*Aboriginal Heritage Act 1972* (WA), 105, 107  
*Aboriginal Lands Rights (Northern Territory) Act 1976*, 131  
ABS, see Australian Bureau of Statistics  
Access Canberra, 139  
*Act for the future: Directions for a new Local Government Act*, 75, 77  
actual grant entitlement, 11, 13–20, 160–87  
adjustments, 11, 13, 14–17  
    Victoria, 69  
    Western Australia, 94–6  
    see also cost drivers and cost adjustors  
AEC Group Ltd, 89–90  
alcohol, 85, 141  
allocation of grants, see grants  
amalgamations, 143  
    National Principle, 50  
    New South Wales, 32, 57, 65  
    Tasmania, 128–9  
annual reports, 101, 135, 140  
APV Valuers and Asset Management, 134  
assets, 6–7  
    see also financial and asset management plans;  
    infrastructure  
Australian Bureau of Statistics (ABS), 18, 60, 142  
    *Australian Demographic Statistics*, 2  
    Local Government Purpose Classifications, 132  
    Socio-Economic Indexes for Areas, 81, 111  
Australian Capital Territory, 1, 11, 137–41  
    grant entitlements, 14–15  
Australian Capital Territory Aboriginal and Torres Strait  
    Islander Agreement 2015–18, 140  
Australian Capital Territory Aboriginal and Torres Strait  
    Islander Elected Body, 140  
Australian Capital Territory Fix My Street service, 139  
Australian Capital Territory Government Infrastructure Plan  
    2011–21, 137  
Australian Capital Territory Infrastructure Planning and  
    Advisory Committee, 137  
Australian Capital Territory *Liquor Act 2010*, 141  
Australian Capital Territory Partnerships Framework, 138  
Australian Capital Territory Public Service, 140  
Australian Capital Territory Strategic Asset Management  
    program, 138  
Australian Capital Territory Taxi Industry Innovation reforms,  
    141  
Australian Charities and Not-for-profits Commission, 141  
Australian Classification of Local Governments, 24–6,  
    160–211  
    explanation of categories, 209–11

Australian Government ICT Awards, 76  
Australian Institute of Company Directors, 97, 134  
Australian Institute of Quantity Surveyors Building Cost  
    Index, 126–7  
*Australian Land Transport Development Act 1988* (Cwth), 9  
Australian Local Government Association, 3, 142–4  
awards and recognition, 76, 78

## B

balanced budget model, 147  
benchmarking, see performance measures  
Better Practice Review (BPR) program (WA), 97, 98  
boundaries, 79, 122  
Bridge Committee (WA), 93  
bridges, 60, 74, 93  
bridges and culverts, 126–7  
Building Upgrade Agreements (SA), 122  
bushfires, 69, 72  
by-laws (local laws), 100

## C

'Candidate Diversity Strategy' (NSW), 64  
capacity building, see training programs  
The Capital Framework, 138  
Capital Upgrade Program, 138  
capping policies, 33  
    New South Wales, 61, 62  
    Tasmania, 124  
    Victoria, 70, 74  
Centre for Local Government, UTS, 97, 98  
charities and incorporated associations, 141  
classification of local government bodies, 24–6, 160–211  
    declared, 1, 2, 22–3  
    explanation of categories, 209–11  
    see also Indigenous councils; minimum grants  
climate cost adjustor, 96  
Closing the Gap, 88, 144  
    targets, 43  
COAG, 2–3, 43, 144  
coastal protection, 118  
codes of conduct, 122, 130  
Commonwealth Grants Commission, 9  
    2001 review of Act, 32  
Community Development Initiative (WA), 97  
community engagement, 64, 77  
*Companion Animals Amendment (Registration) 2016*  
    (NSW), 65  
comparative performance measures, see performance  
    measures  
complaints systems, 90, 100  
computing, see information technology and online services  
conduct of councillors, 101, 122, 130  
consumer price index, 9, 11

Victorian Fair Go Rates System, 75  
 contracts, see procurement  
 cost drivers and cost adjustors, 67-8, 84, 94-6, 126, 132  
     road grants, 73, 83, 124  
 cost relativity index, see disability factors  
 'council' (term), use of, 1  
 Council Controlled Organisations (subsidiary corporate structures), 88, 108-9, 122  
 Council of Australian Governments, 2-3, 144  
     Closing the Gap targets, 43  
 councillor conduct, 101, 122, 130  
 Country Local Government Fund (WA), 97, 98  
 Crown land leases and licences, 130  
 Cultural and Tourism allowance (SA), 118  
 cultural heritage, protection of, 105, 107

## D

declared local governing bodies, 1, 2, 22-3  
*Defamation Act 2005* (WA), 100  
 delegations, 104-5  
 Department of the Prime Minister and Cabinet, 93  
 direct assessment model, 147  
 disability factors (cost relativity index)  
     New South Wales, 54-5, 61  
     South Australia, 111, 112  
     Western Australia, 94  
 disabled enterprises, 103  
 disaster relief, 69, 71-2, 87  
 distribution of grants, see grants  
 Dja Dja Wurrung country, 79  
 drivers licence renewals, 139  
 Dunjiba, 122

## E

efficiency and effectiveness reforms, 39-41, 143-4  
     Australian Capital Territory, 139  
     New South Wales, 63  
     Northern Territory, 135  
     Queensland, 85, 88  
     South Australia, 120-1  
     Tasmania, 128-9  
     Victoria, 39, 77  
     Western Australia, 99, 103-5  
 efficiency and performance, 35-41  
     see also financial and asset management plans;  
         performance measures  
 effort neutrality principle, 50, 55, 112  
 elected member training, 97, 98  
 elections  
     New South Wales, 64  
     Queensland, 85, 90  
     South Australia, 122  
     Victoria, 78  
     Western Australia, 100  
 eligibility to receive funding, 22-3  
 employees, see staff  
 environment, 118  
     see also waste management  
 equalisation, see horizontal equalisation  
 escalation factors, 11, 12, 13-18  
 Essential and Municipal Services Upgrade Program (WA), 99, 106  
 estimated grant entitlement, 11, 13-15, 17-18  
 expenditure, 6, 152

## F

factoring back, 155  
 Fair Go Rates System (Vic.), 75  
 feasibility studies, 128  
 Federation of Victorian Traditional Owner Corporations, 78  
 fees and charges, see sales of goods and services  
 final (actual) grant entitlement, 11, 13-20, 160-87  
 finance, 3-7  
     Northern Territory, 135  
     Queensland, 89-90  
     South Australia, 119  
     Tasmania, 127, 128  
     Western Australia, 100, 101  
     see also grants; procurement  
 Finance and Accounting Support Team (FAST) program (Vic.), 75  
 financial and asset management plans, 35-6, 142-3  
     Australian Capital Territory, 137-8  
     New South Wales, 62  
     Northern Territory, 134  
     Queensland, 35-6, 87, 89  
     South Australia, 118-19  
     Tasmania, 127  
     Victoria, 75  
     Western Australia, 96-7, 102-3  
 Financial Health Indicator (FHI) methodology, 98  
 Financial Sustainability Program (SA), 118-19  
 Fix My Street service (ACT), 139  
 floods, 72  
 Function 50, 117-18  
 functions and roles, 1-2  
     expenditure by, 6

## G

garbage charges, 81  
 general purpose grants, see grants  
 Gerard, 122  
 Governance Reviews (WA), 97  
 GoWomen, 78  
*Graffiti Vandalism Act 2016* (WA), 100  
 grant allocation methodologies, 23-4, 32-3, 145-57  
 grants, 9-33, 160-208  
     as revenue source, 5  
     see also minimum grants; National Principles; New  
         South Wales general purpose grants; Northern  
         Territory general purpose grants; per capita  
         grants; Queensland general purpose grants; road  
         grants; South Australian general purpose grants;  
         Tasmanian general purpose grants; Victorian  
         general purpose grants  
 grants commissions, see Commonwealth Grants  
     Commission; local government grants commissions  
 Guidelines for Municipal Services (WA), 106-7  
 Gunai Kurnai Recognition and Settlement Agreement, 79

## H

heritage protection, 105, 107  
 history of arrangements, 9-11  
 Hope Vale Fibre Optic Project, 89  
 horizontal equalisation, 9, 27, 50, 51  
     distribution methods, comparison of, 146-8, 155; other  
     grants support, 150-1  
     New South Wales principles, 59  
     pause on indexation, 12

Tasmanian relative needs distribution, 123  
 Western Australian averaging, 96  
 see also capping policies  
 housing, 89, 144

## I

identified local road grants, see road grants  
 indexation, 9, 126–7  
 indexation, pause on, 12, 13  
   estimated factor for 2017–18, determination of, 17  
   final factor for 2016–17, determination of, 16  
   general purpose grants, 61, 70, 91, 111; Outback  
     Communities Authority, 117  
   local roads grants, 74, 91  
 Indigenous communities, 43–7, 144  
   Aboriginal and Torres Strait Islander peoples National  
     Principle, 50, 153–4  
   Australian Capital Territory, 140  
   New South Wales, 64  
   Northern Territory, 136  
   Queensland, 85–6, 88–9  
   South Australia, 117, 121–2  
   Victoria, 78–9  
   Western Australia, 99–100, 103, 105–7; roads  
     servicing, 92–3  
 Indigenous councils, 1, 2  
   Northern Territory, 136  
   Queensland, 80, 81, 85–6, 88, 89  
   South Australia, 1, 117  
   Western Australia, 92–3  
 Indigenous Councils Critical Infrastructure Program (Qld),  
 85  
 Indigenous Economic Development Grant program (Qld),  
 85–6  
 Indigenous enterprises, 78, 103  
 Indigenous Jobs Development Funding (NT), 136  
 Indigenous Roads Committee (WA), 92–3  
 Indigenous staff, 85, 136  
 information technology and online services, 143  
   Australian Capital Territory, 139  
   local government grants commissions' internet  
     addresses, 24  
   New South Wales, 63  
   Queensland, 87–8, 89  
   South Australia, 119  
   Tasmania, 126  
   Victoria, 39, 76, 78  
   Western Australia, 98, 101  
 infrastructure, 144  
   Australian Capital Territory, 137–8  
   New South Wales: capital expenditure requirements, 56  
   Queensland, 85, 86, 89  
   Victoria, 75  
   see also financial and asset management plans; roads  
 Infrastructure Planning and Advisory Committee (ACT), 137  
 Institute of Public Affairs Australia (IPPA) Prime Minister's  
 Awards, 76  
 Institute of Public Works Engineering Australia, 119  
 integrated planning and reporting framework, 62, 64, 96  
 integrity measures, 64, 65  
 interest income, 5  
 Intergovernmental Agreement on Federal Financial  
 Relations, 3  
 internet, see information technology and online services  
 isolation, 55, 58, 118, 133

## J

Jadi, 88  
 Joint Organisation model, 63  
 JRA, 142

## K

*Know your council* website, 76  
 Koori Youth Council, 78  
 KPMG, 33, 89–90, 117–18

## L

land trusts, 131  
 land use, 105, 107, 130  
 land valuations, 5  
   New South Wales, 55  
   Northern Territory, 131  
   Queensland, 80  
   South Australia, 111  
   Victoria, 69  
 legislation, 1, 2, 9  
   Australian Capital Territory, 141  
   local government grants commissions, 22  
   New South Wales, 22, 64–5  
   Northern Territory, 22  
   Queensland, 22, 85  
   South Australia, 22, 118, 122  
   Tasmania, 22, 127, 129–30  
   Victoria, 22, 75, 77, 78, 79  
   Western Australia, 22, 96, 100–1, 102, 103, 104, 105,  
     108–9  
 LG Sherlock, 87, 88  
 LGPro, 78  
 liabilities, 6–7  
 libraries, 55, 131  
*Liquor Act 2010* (ACT), 141  
 liquor licences, 85, 141  
 littering, 122  
 Local Buy, 88  
 'local governing bodies', definition of, 1  
*Local Government Act 1989* (Vic.), 75, 77  
*Local Government Act 1993* (NSW), 22, 64–5  
*Local Government Act 1993* (Tas.), 129, 130  
*Local Government Act 1995* (WA), 96, 100, 101, 105, 109  
*Local Government Act 1999* (SA), 118, 122  
*Local Government Act 2009* (Qld), 22  
*Local Government Amendment (Governance and Planning)  
 Act 2016* (NSW), 65  
*Local Government Amendment (Rates) Act 2017* (Tas.),  
 130  
*Local Government Amendment (Rates – Merged Council  
 Areas) Act 2017* (NSW), 65  
*Local Government and Elections Legislation Amendment  
 (Integrity) Act 2016* (NSW), 65  
 Local Government and Planning Ministers Council, 142  
 Local Government and Shires Associations of New South  
 Wales, 56  
 Local Government Association of Queensland, 87–90  
 Local Government Association of South Australia, 118–19,  
 120, 121  
 Local Government Association of the Northern Territory,  
 134–5  
 Local Government (Auditing) Bill 2017 (WA), 101  
 local government boundaries, 79, 122  
*Local Government (Content of Plans and Strategies) Order  
 2014* (Tas.), 127

Local Government Convention (WA), 107  
 Local Government Digital Transformation Taskforce (Vic.), 39  
*Local Government (Elections) Act 1999* (SA), 122  
*Local Government Electoral Act 2011* (Qld), 85  
 Local Government Engagement Strategy of the Dja Dja Wurrung, 79  
 Local Government Finance Authority (SA), 120  
*Local Government (Financial Assistance) Act 1986* (Cwth), 9  
 Local Government (Financial Management) Regulations 1995 (WA), 101  
 Local Government Forecast Model (Qld), 84  
 Local Government (Functions and General) Regulations 1996 (WA), 104  
*Local Government (General) Amendment (Minimum Rates) Regulation 2016* (NSW), 65  
*Local Government (General) Amendment (Performance Management) Regulation 2016* (NSW), 65  
*Local Government (General) Amendment (Transitional Auditors) Regulation 2016* (NSW), 65  
*Local Government (General) Amendment (Transitional) Regulation 2016* (NSW), 65  
*Local Government Grants Act 1978* (WA), 22  
*Local Government Grants Commission Act 1995* (NT), 22  
 local government grants commissions, 9, 11, 21–2, 23–4  
   distribution models, comparison of, 145–57  
   methodology reviews, 32–3  
   minimum grant local governing bodies, 27  
   pause on indexation, 12  
*Local Government Legislation Amendment Act 2016* (WA), 100  
*Local Government (Model Code of Conduct) Order 2016* (Tas.), 130  
 Local Government Performance Monitoring Project (WA), 103  
 Local Government Performance Reporting Framework (Vic.), 76  
 Local Government Regulations (WA), 103  
 Local Government Research and Development Scheme (SA), 120–1  
 Local Government Specific Noongar Standard Heritage Agreement, 107  
 Local Government (Targeted Review) Amendment Bill 2017, 129  
 Local Government Victoria, 75, 79  
 Local Government Workcare, 88  
 local laws, 100  
*Local Nuisance and Litter Control Act 2016* (SA), 122  
 local roads, see roads

## M

Maggolee website, 78  
 Main Roads Western Australia, 92, 93, 106  
 marine farms, 130  
 medical cost adjustor, 95  
 mergers, see amalgamations  
 minimum grants, 9, 27–31, 33, 50  
   distribution models, comparison of, 155  
   factoring back process, 155  
   New South Wales, 28, 62  
   Northern Territory, 31, 132  
   Queensland, 29, 80, 81  
   South Australia, 30  
   Tasmania, 30, 123  
   Victoria, 28, 71

Western Australia, 29, 91  
 misconduct of councillors, 101  
 Mobile Blackspots Program, 89  
 Model Code of Conduct (Tas.), 130  
 Model Financial Statements Working Group (NT), 135  
 model policies, 121  
 Morton Consulting Services, 117  
 Municipal Services Officers Working Group (WA), 99, 105–6  
 MyCouncil website, 98

## N

National Partnership Agreement on Remote Indigenous Housing, 89, 144  
 National Principles, 9, 22, 49–51  
   Aboriginal and Torres Strait Islander peoples, 50, 153–4  
   effort neutrality, 50, 55, 112  
   local road component, 51, 156–7  
   other grant support, 50, 68, 69, 81, 131  
   see also horizontal equalisation; minimum grants  
 national representation, 2–3  
 native title, 107  
 natural disasters, 69, 71–2, 87  
 net worth, 6–7  
 New Council Implementation Fund (NSW), 63  
 New South Wales, 53–65  
   amalgamations, 32, 57, 65  
   assets and liabilities, 7  
   classification of local government bodies, 25–6, 160–5, 190–3  
   declared local governing bodies, 1  
   expenditure by purpose, 6  
   population, 160–5; minimum grant councils, 28  
   revenue sources, 5  
 New South Wales Auditor-General, 64  
 New South Wales ‘Candidate Diversity Strategy’, 64  
 New South Wales *Companion Animals Amendment (Registration) 2016*, 65  
 New South Wales general purpose grants, 14–15, 19–20, 160–5  
   allocation methodology, 33, 53–7, 58–9, 61–2;  
   comparison with other grants commission models, 145–55  
   average per capita, 25  
   minimum grants, 28, 62  
   relative needs ranking, 190–3  
 New South Wales Independent Local Government Review Panel, 61  
 New South Wales *Local Government Act 1993*, 22, 64–5  
 New South Wales *Local Government Amendment (Governance and Planning) Act 2016*, 65  
 New South Wales *Local Government Amendment (Rates – Merged Council Areas) Act 2017*, 65  
 New South Wales *Local Government and Elections Legislation Amendment (Integrity) Act 2016*, 65  
 New South Wales Local Government and Shires Associations, 56  
 New South Wales *Local Government (General) Amendment (Minimum Rates) Regulation 2016*, 65  
 New South Wales *Local Government (General) Amendment (Performance Management) Regulation 2016*, 65  
 New South Wales *Local Government (General) Amendment (Transitional Auditors) Regulation 2016*, 65  
 New South Wales *Local Government (General) Amendment (Transitional) Regulation 2016*, 65

New South Wales Local Government Grants Commission, 22, 53–62  
 comparison with other grants commission models, 145–57  
 Internet address, 24  
 methodology reviews, 33

New South Wales New Council Implementation Fund, 63

New South Wales Office of Local Government, 63

New South Wales road grants, 14–15, 19–20, 160–5  
 allocation methodology, 33, 57–8, 60  
 per kilometre average, 26  
 relative needs ranking, 190–3  
 treatment in general purpose component, 55

New South Wales Valuer-General, 55

Noongar Standard Heritage Agreements, 107

Northern Territory, 131–6  
 assets and liabilities, 7  
 classification of local government bodies, 25–6, 187, 208  
 declared local government bodies, 1  
 expenditure by purpose, 6  
 population, 2, 187; minimum grant councils, 31  
 revenue sources, 5

Northern Territory Department of Housing and Community Development, 134, 135, 136

Northern Territory Department of Local Government and Community Services, 38

Northern Territory general purpose grants, 13, 14–15, 19–20, 187  
 allocation methodology, 33, 131–3; comparison with other grants commission models, 145–55  
 average per capita, 25  
 minimum grants, 31, 132  
 relative needs ranking, 208

Northern Territory Grants Commission, 22, 131–4  
 comparison with other grants commission models, 145–57  
 Internet address, 24  
 methodology reviews, 33

Northern Territory Indigenous Jobs Development Funding, 136

Northern Territory Local Government Association, 134–5

Northern Territory *Local Government Grants Commission Act 1995*, 22

Northern Territory Model Financial Statements Working Group, 135

Northern Territory road grants, 14–15, 19–20, 187  
 allocation methodology, 33, 133  
 per kilometre average, 26  
 relative needs ranking, 208  
 treatment in general purpose component, 131

## O

objects of Act, 12

off-road drainage cost adjustor, 96

Operation Belcarra, 90

other grant support, 50  
 Northern Territory, 131  
 Queensland, 81  
 Victoria, 68, 69

“Other Needs Assessment” (Function 50), 117–18

## P

Partnerships Framework (ACT), 138

Peak Services, 87

pensioner rebate allowances, 55, 59

per capita grants, 18, 19, 160–208  
 average, 24–5  
 minimum grant councils, 27  
 Outback Communities Authority, 117

per capita specific purpose payments, 3

per kilometre funding, 19, 160–208  
 average, 24, 26

performance measures, 36–8, 143  
 Australian Capital Territory, 138  
 New South Wales, 63  
 Northern Territory, 135  
 Queensland, 85, 87–8  
 South Australia, 119  
 Tasmania, 127–8  
 Victoria, 76  
 Western Australia, 96, 98, 102–3

Plan for the Future (WA), 96

Point Pearce, 122

population, 2, 9, 11, 160–87  
 adjustments due to changes in, 13, 96, 131  
 changes to distribution methodology, 61  
 minimum grant local government bodies, 27, 28–31  
 see also per capita grants

PricewaterhouseCoopers, 142

procurement  
 Queensland, 88  
 Victoria, 78  
 Western Australia, 103–4

Productivity Commission, 76, 138

puppy farming, 101

## Q

quantum of grant, 12, 13–18, 21, 84  
 1974–75 to 2016–17 allocations, 10–11

Queensland, 80–90  
 assets and liabilities, 7  
 classification of local government bodies, 25–6, 170–3, 197–9  
 expenditure by purpose, 6  
 population, 170–3; minimum grant councils, 29  
 revenue sources, 5

Queensland Audit Office (Auditor-General), 84, 87

Queensland Crime and Corruption Commission, 90

Queensland Department of Infrastructure, Local Government and Planning, 89

Queensland Department of Local Government, Racing and Multicultural Affairs, 85

Queensland general purpose grants, 14–15, 19–20, 170–3  
 allocation methodology, 33, 80–2, 84; comparison with other grants commission models, 145–55  
 average per capita, 25  
 minimum grants, 29, 80, 81, 84  
 relative needs ranking, 197–9

Queensland Indigenous Councils Critical Infrastructure Program, 85

Queensland Indigenous Economic Development Grant program, 85–6

Queensland Local Buy, 88

Queensland *Local Government Act 2009*, 22

Queensland Local Government Association, 87–90

Queensland local government comparative information report, 85

Queensland Local Government Electoral Act 2011, 85  
 Queensland Local Government Grants Commission, 22, 80-4  
   comparison with other grants commission models, 145-57  
   Internet address, 24  
   methodology reviews, 33  
 Queensland Local Government Mutual, 88  
 Queensland Local Government Workcare, 88  
 Queensland Productivity Commission, 88  
 Queensland Ready.Set.Go performance benchmarking service, 87  
 Queensland Reconstruction Authority, 87  
 Queensland Revenue Replacement Program, 85  
 Queensland road grants, 14-15, 19-20, 170-3  
   allocation methodology, 33, 80, 82-3  
   per kilometre average, 26  
   relative needs ranking, 197-9  
   treatment in general purpose component, 81  
 Queensland State Government Financial Aid program, 85  
 Queensland Treasury Corporation, 84  
 Queensland Water Regional Alliance Program, 88  
 Queensland Work for Queensland (W4Q) Program, 85

## R

Ratepayers Victoria, 76  
 rates, 5  
   New South Wales, 5, 55, 56, 59  
   Queensland, 5, 80-1  
   South Australia, 5, 111  
   Tasmania, 5, 130  
   Victoria, 5, 65, 69, 75  
 Ready.Set.Go performance benchmarking service, 87  
 Recognition and Settlement Agreements (Vic.), 78, 79  
 Reconciliation Action Plans (SA), 121  
 Reconciliation Victoria, 78  
 red tape reduction, 100, 139  
 Regional Services Reform Unit (WA), 99  
 regional subsidiaries, 100-1, 108, 122  
 relative need, 32, 189-208  
 remuneration and allowances, 100  
 Report on government services, 138  
 Report on Local Road Assets and Expenditure (WA), 102-3  
 reporting, see performance measures  
 Research and Development Scheme (SA), 120-1  
 revenue and revenue sources, 3-5, 149-51  
   see also grants; rates  
 Revenue Replacement Program (Qld), 85  
 road grants, 9-11, 13-24, 160-208  
   comparison of distribution models, 156-7  
   methodology reviews, 33  
   National Principle, 51, 156-7  
   per kilometre average, 24, 26  
   see also New South Wales road grants; Northern Territory road grants; Queensland road grants; South Australian road grants; Tasmanian road grants; Victorian road grants; Western Australian road grants  
 roads, 142-3, 152-3  
   Australian Capital Territory, 139  
   Queensland Indigenous communities, 92-3  
   Western Australia, 102-3  
 Roads to Recovery program, 131, 142  
 Royalties for Regions' Country Local Government Fund, 97, 98

## S

sales of goods and services (fees and charges), 5  
   Queensland, 5, 81, 87  
   Victoria, 5, 69-70  
 scope of equalisation, 147-8  
 Service Delivery Review workshops (WA), 97, 98  
 Settlement Indigenous Land Use Agreements, 107  
 shared services, 144  
   New South Wales, 63  
   Queensland, 88  
   Tasmania, 128  
   Western Australia, 100-1, 108  
 Smart Cities and Suburbs Program, 143  
 South Australia, 110-22  
   assets and liabilities, 6-7  
   classification of local government bodies, 25-6, 181-4, 204-6  
   declared local governing bodies, 1  
   expenditure by purpose, 6  
   Indigenous councils and communities, 1, 117  
   population, 181-4; minimum grant councils, 30  
   revenue sources, 5  
 South Australian Aboriginal Employment Industry Clusters Program, 121  
 South Australian Financial Sustainability Program, 118-19  
 South Australian general purpose grants, 14-15, 19-20, 181-4  
   allocation methodology, 33, 110-18; comparison with other grants commission models, 145-55  
   average per capita, 25  
   minimum grants, 30  
   relative needs ranking, 204-6  
 South Australian Local Government Act 1999, 118, 122  
 South Australian Local Government Association, 118-19, 120, 121  
 South Australian Local Government (Elections) Act 1999, 122  
 South Australian Local Government Finance Authority, 120  
 South Australian Local Government Grants Commission, 22, 110-18  
   annual database reports, 119  
   comparison with other grants commission models, 145-57  
   Internet address, 24  
   methodology reviews, 33  
 South Australian Local Government Grants Commission Act 1992, 22  
 South Australian Local Government Research and Development Scheme, 120-1  
 South Australian Local Government Transport Advisory Council, 116  
 South Australian Local Nuisance and Litter Control Act 2016, 122  
 South Australian Office of Local Government, 120  
 South Australian "Other Needs Assessment" (Function 50), 117-18  
 South Australian road grants, 14-15, 19-20, 181-4  
   allocation methodology, 33, 116  
   per kilometre average, 26  
   relative needs ranking, 204-6  
 South Australian Stormwater Management Agreement, 122  
 South West Aboriginal Land and Sea Council, 107  
 South West Native Title Settlement (WA), 107  
 South West Settlement Implementation Unit, 107  
 Special Premiers' Conference 1990, 9  
 specific purpose payments, 3, 9, 55, 58

staff  
 Indigenous, 85, 136  
 young, 97  
 State Government Financial Aid program (Qld), 85  
*State Grants Commission Act 1976* (Tas.), 22, 127  
 state grants commissions, see local government grants commissions  
 State of the Assets, 142  
 statutory delegations, 104–5  
 storms, 72  
 stormwater, 122  
 Strategic Asset Management program (ACT), 138  
 Stronger Communities Fund, 63  
 subsidiaries, 88, 100–1, 108–9, 122  
 Sustainable Procurement (WA), 103

## T

Tasmania, 123–30  
 assets and liabilities, 7  
 classification of local government bodies, 25–6, 185–6, 207  
 expenditure by purpose, 6  
 population, 185–6; minimum grant councils, 30  
 revenue sources, 5  
 Tasmanian Auditor-General, 127  
 Tasmanian general purpose grants, 14–15, 19–20, 185–6  
 allocation methodology, 33, 123–7; comparison with other grants commission models, 145–55  
 average per capita, 25  
 minimum grants, 30, 123  
 relative needs ranking, 123, 207  
 Tasmanian *Local Government Act 1993*, 129, 130  
 Tasmanian *Local Government Amendment (Rates) Act 2017*, 130  
 Tasmanian *Local Government (Content of Plans and Strategies) Order 2014*, 127  
 Tasmanian Local Government Division, 127–8  
 Tasmanian *Local Government (Model Code of Conduct) Order 2016*, 130  
 Tasmanian Local Government (Targeted Review) Amendment Bill 2017, 129  
 Tasmanian road grants, 14–15, 19–20, 185–6  
 allocation methodology, 33, 124  
 per kilometre average, 26  
 relative needs ranking, 207  
 Tasmanian State Grants Commission, 22, 123–7  
 comparison with other grants commission models, 145–57  
 Internet address, 24  
 methodology reviews, 33  
 Tasmanian *State Grants Commission Act 1976* (Tas.), 22, 127  
 taxation revenue, 3–4  
 see also rates  
 Taxi Industry Innovation reforms (ACT), 141  
 telecommunications, 89  
 see also information technology and online services  
 tenders, see procurement  
 term deposits, 101  
 terrain cost adjustor, 96  
 tornados, 72  
 Torres Strait Islander communities, see Indigenous communities  
 Torres Strait Regional Authority, 89  
 tourism, 118, 126  
 Tourism Tasmania, 126  
 Town of Narrogin equalisation adjustment, 96  
 Traditional Owner Settlement Act 2010 (Vic.), 78, 79  
 traffic volume data, 72–4, 82–3  
 training programs  
 Northern Territory, 134  
 Queensland, 87  
 Victoria, 79  
 Western Australia, 97, 98, 103–4  
 Transport and Infrastructure Council, 142  
 Treasurer, 12

## U

Umoona, 122  
 unincorporated areas, 117  
 University of Technology, Sydney, 97, 98  
 unsealed local roads, 61  
 urban drift, 134

## V

valuations, 142  
 see also land valuations  
 Victoria, 66–79  
 assets and liabilities, 7  
 classification of local government bodies, 25–6, 166–9, 194–6  
 expenditure by purpose, 6  
 population, 2, 166–9; minimum grant councils, 28  
 revenue sources, 5  
 Victoria Grants Commission, 22, 66–75  
 comparison with other grants commission models, 145–57  
 Internet address, 24  
 methodology reviews, 33  
 Victoria *Grants Commission Act 1976* (Vic.), 22  
 Victorian Aboriginal and Councils Partnerships Program, 79  
 Victorian Aboriginal and Local Government Action Plan, 78–9  
 Victorian Aboriginal Community Controlled Health Organisations, 78  
 Victorian Aboriginal Heritage Council, 78  
 Victorian Department of Justice and Regulation, 79  
 Victorian Essential Services Commission, 75  
 Victorian Fair Go Rates System, 75  
 Victorian Finance and Accounting Support Team (FAST) program, 75  
 Victorian general purpose grants, 14–15, 19–20, 166–9  
 allocation methodology, 33, 66–72; comparison with other grants commission models, 145–55  
 average per capita, 25  
 minimum grants, 28, 71  
 relative needs ranking, 194–6  
 Victorian *Local Government Act 1989*, 75, 77  
 Victorian Local Government Digital Transformation Taskforce, 39  
 Victorian Local Government Engagement Strategy of the Dja Dja Wurrung, 79  
 Victorian Local Government Forecast Model, 84  
 Victorian Local Government Performance Reporting Framework, 76  
 Victorian *Ministerial Statement on Local Government*, 78  
 Victorian Recognition and Settlement Agreements, 78, 79  
 Victorian road grants, 14–15, 19–20, 166–9  
 allocation methodology, 33, 72–5  
 per kilometre average, 26  
 relative needs ranking, 194–6  
 treatment in general purpose component, 69

## W

- waste management, 85, 121
  - garbage charges, 81
- water and sewerage, 56, 85, 86, 88, 121
  - storm water, 122
- websites, see information technology and online services
- Western Australia, 91-109
  - assets and liabilities, 7
  - classification of local government bodies, 25-6, 174-80, 200-3
  - expenditure by purpose, 6
  - population, 174-80; minimum grant councils, 29
  - revenue sources, 5
- Western Australian *Aboriginal Heritage Act 1972*, 105
- Western Australian Auditor-General, 101, 102
- Western Australian Better Practice Review (BPR) program, 97, 98
- Western Australian Bridge Committee, 93
- Western Australian Community Development Initiative, 97
- Western Australian Corruption and Crime Commission, 101
- Western Australian *Defamation Act 2005*, 100
- Western Australian Department of Aboriginal Affairs, 92
- Western Australian Department of Communities, 106
- Western Australian Department of Health, 106
- Western Australian Department of Local Government, Sport and Cultural Industries (DLGSC), 93, 97, 98, 99, 100, 105-6
- Western Australian Department of Planning, Lands and Heritage, 106, 107
- Western Australian Department of Water and Environment Regulation, 106
- Western Australian Electoral Commission, 100
- Western Australian Essential and Municipal Services Upgrade Program (WA), 99, 106
- Western Australian general purpose grants, 14-15, 19-20, 174-80
  - allocation methodology, 33, 91, 93-6; comparison with other grants commission models, 145-55
  - average per capita, 25
  - minimum grants, 29, 91
  - relative needs ranking, 200-3
- Western Australian Governance Reviews, 97
- Western Australian *Graffiti Vandalism Act 2016*, 100
- Western Australian Guidelines for Municipal Services, 106-7
- Western Australian Indigenous Roads Committee, 92-3
- Western Australian *Local Government Act 1995*, 96, 100, 101, 105, 109
- Western Australian Local Government Association, 92, 93, 97, 98, 102-9
- Western Australian Local Government (Auditing) Bill 2017, 101
- Western Australian Local Government Convention, 107
- Western Australian Local Government (Financial Management) Regulations 1995, 101
- Western Australian Local Government (Functions and General) Regulations 1996, 104
- Western Australian *Local Government Grants Act 1978*, 22
- Western Australian Local Government Grants Commission, 22, 91-7
  - comparison with other grants commission models, 145-57
  - Internet address, 24
  - methodology reviews, 33
- Western Australian *Local Government Legislation Amendment Act 2016*, 100
- Western Australian Local Government Performance Monitoring Project, 103
- Western Australian Local Government Regulations, 103
- Western Australian Local Government Specific Noongar Standard Heritage Agreement, 107
- Western Australian Local Government Standards Panel, 100
- Western Australian Municipal Services Officers Working Group, 99, 105-6
- Western Australian Parliamentary Public Accounts Committee, 101
- Western Australian Plan for the Future, 96
- Western Australian Regional Services Reform Unit, 99
- Western Australian Report on Local Road Assets and Expenditure, 98-9
- Western Australian road grants, 14-15, 19-20, 174-80
  - allocation methodology, 33, 91, 92-3
  - per kilometre average, 26
  - relative needs ranking, 200-3
- Western Australian Royalties for Regions' Country Local Government Fund, 97, 98
- Western Australian Salaries and Allowances Tribunal, 100
- Western Australian South West Settlement Implementation Unit, 107
- Western Australian Treasury Corporation, 98
- women, 78
- Work for Queensland (W4Q) Program, 85
- workers' compensation, 88

## Y

- young employees, 97
- Your Council 2015-16* time series data, 63



