



South Australian  
Local Government Grants Commission

# Annual Report 2012 - 13


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The Hon Gail Gago MLC  
Minister for State/Local Government Relations  
Parliament House  
ADELAIDE SA 5000

Dear Minister

As Chair of the South Australian Local Government Grants Commission appointed under the *South Australian Local Government Grants Commission Act 1992*, I have pleasure in presenting you with the Commission's Annual Report for 2012-13.

Yours sincerely



Mary Patetsos  
CHAIR

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## CHAIR'S INTRODUCTION

The main function of the South Australian Local Government Grants Commission is to make recommendations to the Minister for State/Local Government Relations on the distribution of untied Commonwealth Financial Assistance Grants to local governing authorities in South Australia. Recommendations are made in accordance with the Commonwealth *Local Government (Financial Assistance) Act 1995* (the Act).

In 2012-13, the Commission made recommendations on the distribution of Financial Assistance Grants for 2013-14 totalling almost \$153 million. Of this, \$114.5 million was provided for general purpose grants and \$38.4 million provided for identified road grants. This represents an increase in general purpose grants from the previous year of 3.19 percent and an increase in identified road grants of 4.22 percent over the previous year.

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

The Commission endeavours to continually improve its methodology in allocating funds to local governing authorities and a major review of the Commission's methodology, the first major, "all encompassing" review since 1996-97 was undertaken during 2012-13.

The Commission developed Terms of Reference designed to take a broad look at the overall methodology and appointed KPMG using an open tender process to conduct the review.

In the interim, issues relating to the consistency of libraries data continued to concern the Commission, and the assessment of libraries on the Revenue and Expenditure sides of the Commissions calculations was excluded for 2013-14 pending the outcomes of the review.

In view of recent investigations into the effects of growth, the complexities of including traffic volumes, issues identified with airports and airstrips and Australian Governments review of Financial Assistance Grants, the Commission considered a full review timely. The existing methodology, although modified over time, has been in place since 1998-99.

The Commission recommended no council receive a decreased grant in 2013-14 greater than minus 5%, and increases in grant were generally capped at 12%. This approach has ensured that the outcomes of the expenditure review in 2006-07 were phased into the grant allocation process in the following years, which aims to minimise the impact on council budgetary processes.

Notwithstanding the caps applied above, significant changes in population data from the Australian Bureau of Statistics (ABS) following the 2011 Census, which impacted on the quantum of funding at the National level for 2012-13, began to filter down into the Commissions intrastate distributions for 2013-14. Reduced population data for a number of councils based on the Census data had an impact on grant outcomes and two per capita minimum councils had to have increases in general purpose grants above the 12% cap in order to maintain their per capita minimum grant.

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

Information collected by the Commission is used by the Local Government Association (LGA), the Australian Bureau of Statistics, the State Government and other government organisations for planning and reporting services and the Commission continued to work closely with these organisations during 2012-13.

In 2012-13 further work was undertaken to ensure that the Commission's financial data collection form aligned with the sector's Model Financial Statements as they are updated each year. The Commission has worked closely with the Local Government Association of South Australia during the year to facilitate a data working group to provide continual improvement to the Supplementary Return and a greater level of assistance to Councils who experience difficulties in completing their Return.

Participants in the working group included representatives from the Commission, the Office for State/Local Government Relations, the Local Government Association, the SA Local Government Financial Management Group and the Australian Bureau of Statistics. A consultant with direct experience in the management of council finances has also been employed to provide workshops for council staff and a help desk service to assist with queries relating to the Supplementary Return. This strategy has proved very beneficial to the process of improving data collected by the Commission.

The Commission's work is supported by resources provided by the Department of the Premier and Cabinet (DPC) and staff provided to the Commission are State Government Employees. The Commission continued to receive administrative support under the terms of a Service Level Agreement with DPC.

Staff committed to support the Commission include our Executive Officer, Peter Ilee and part-time Project Officer, Lyn Skouborg. Other staff are provided to the Commission by negotiation with the Department, as needed, and Thi Le from DPC has provided valuable support in managing an upgrade of the Commission's database and the Supplementary Return.

The membership of the Commission has remained stable during the year with the terms of Commissioners Gascoigne and Ross not due to expire until the second half of 2013 and 2014 respectively.

In closing, I would like to acknowledge the efforts of Commissioners John Ross and Jane Gascoigne and thank Commission staff, Executive Officer Peter Ilee, Project Officer Lyn Skouborg and Thi Le from the Office for State/Local Government Relations for their contributions during the year.

MARY PATETSOS  
CHAIR

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## CHAPTER 1 - THE COMMISSION

### Membership

The South Australian Local Government Grants Commission is an independent statutory authority established under the *South Australian Local Government Grants Commission Act 1992*, which provides for three members who are appointed in a part-time capacity by the Governor. Members are appointed for terms of up to five years. At the conclusion of this time members are eligible for renomination.

Members during 2012-13 were:

- Mary Patetsos, Chair from 11 August 2010 until 10 August 2015, joint nominee of the Local Government Association and Minister for State/Local Government Relations and a Commissioner since 2002;
- John Ross, Commissioner from 23 September 2010 until 22 September 2014, nominee of the Local Government Association and a Commissioner since 2005; and
- Jane Gascoigne, Commissioner from 1 August 2010 to 31 July 2013, nominee of the Minister for State/Local Government Relations.

For member profiles see *Appendix I*.

### Location

The Commission's offices are located on Level 7 Roma Mitchell House, 136 North Terrace, Adelaide. Telephone (08) 8204 8719, Fax (08) 8204 8735. E-mail: [grants.commission@sa.gov.au](mailto:grants.commission@sa.gov.au)

### Staff

The Commission is provided with support by the Department of the Premier and Cabinet. The Commission has a dedicated full time Executive Officer, Peter Ilee and a part-time Project Officer, Lyn Skouborg.

Additional support for the Commission is provided as needed by the Department under the terms of a Service Level Agreement. Staff supporting the Commission are employees of the Department of the Premier and Cabinet. Thi Le, of the Department of the Premier and Cabinet has provided additional support to the Commission during 2012-13.

### Purpose

The Commission is responsible for making recommendations to the Minister for State/Local Government Relations on the distribution of untied Commonwealth Financial Assistance Grants to local governing authorities in South Australia in accordance with State and Federal legislative requirements, which are set out in *Chapter 3*.

### Reporting Arrangements and Funding

Administratively, staff of the Commission report to the Director, Office for State/Local Government Relations (OSLGR).

The Commission's operations are funded by the State Government from annual budget appropriations. A copy of the Commission's Financial Statements is included in *Appendix XI* of this report.

### Freedom of Information

The Commission's Executive Officer is the Principal Officer as defined in the *Freedom of Information Act 1991*. An appointment can be made by phoning (08) 8204 8719 during office hours.

No requests under the *Freedom of Information Act 1991* were received in 2012-13. In accordance with Section 9 of the Act an information statement is provided at *Appendix II*.

### Commission Meetings

The Commission and its staff generally meet on a monthly basis and at other times, as required. A summary of Commission meetings held during 2012-13 is provided below.

<b>Meeting Date</b>	<b>Meeting Participants</b>
30 July 2012	<p><b>Commissioners</b> Ms Mary Patetsos (C), Ms Jane Gascoigne <i>Apologies: Mr John Ross.</i></p> <p><b>Attendees</b> Mr Peter Ilee (EO), Ms Lyn Skouborg and Mr Mick Petrovski.</p>
21 August 2012	<p><b>Commissioners</b> Ms Mary Patetsos (C), Ms Jane Gascoigne <i>Apologies: Mr John Ross.</i></p> <p><b>Attendees</b> Mr Peter Ilee (EO), Ms Lyn Skouborg and Mr Mick Petrovski (part of meeting).</p>
24 October 2012	<p><b>Commissioners</b> Ms Mary Patetsos (C), Ms Jane Gascoigne <i>Apologies: Mr John Ross.</i></p> <p><b>Attendees</b> Mr Peter Ilee (EO), Ms Lyn Skouborg and Mr Mick Petrovski (part of meeting).</p>
28 November 2012	<p><b>Commissioners</b> Ms Mary Patetsos (C), Ms Jane Gascoigne <i>Apologies: Mr John Ross.</i></p> <p><b>Attendees</b> Mr Peter Ilee (EO), Ms Lyn Skouborg, Mr Mick Petrovski (part of meeting), The Hon Greg Crafter and Mr Tony Lawson – Local Excellence Panel.</p>
23 January 2013	<p><b>Commissioners</b> Ms Mary Patetsos (C), Ms Jane Gascoigne <i>Apologies: Mr John Ross.</i></p> <p><b>Attendees</b> Mr Peter Ilee (EO) and Ms Lyn Skouborg. <i>Apologies: Mr Mick Petrovski.</i></p>
26 February 2013	<p><b>Commissioners</b> Ms Mary Patetsos (C), Ms Jane Gascoigne <i>Apologies: Mr John Ross.</i></p> <p><b>Attendees</b> Mr Peter Ilee (EO) and Ms Lyn Skouborg. Mr Robin Holmes, Mr Andrew Francis and Mr Jarred Mickan (KPMG). <i>Apologies: Mr Mick Petrovski.</i></p>
26 March 2013	<p><b>Commissioners</b> Ms Mary Patetsos (C), Ms Jane Gascoigne <i>Apologies: Mr John Ross.</i></p> <p><b>Attendees</b> Mr Peter Ilee (EO), Ms Lyn Skouborg and Mr Mick Petrovski. Mr Robin Holmes and Mr Andrew Francis (KPMG).</p>

- 24 April 2013      **Commissioners**  
Ms Mary Patetsos (C), Ms Jane Gascoigne  
*Apologies: Mr John Ross.*
- Attendees**  
Mr Peter Ilee (EO) and Ms Lyn Skouborg.  
*Apologies: Mr Mick Petrovski and KPMG Representatives.*
- 12 June 2013      **Commissioners**  
Ms Mary Patetsos (C), Ms Jane Gascoigne  
*Absent: Mr John Ross.*
- Attendees**  
Mr Peter Ilee (EO) and Ms Lyn Skouborg. Mr Robin Holmes, Mr Jeff Byrne  
and Mr Andrew Francis (KPMG).  
*Apologies: Mr Mick Petrovski.*
- 20 June 2013      **Commissioners**  
Ms Mary Patetsos (C), Ms Jane Gascoigne  
*Apologies: Mr John Ross.*
- Attendees**  
Mr Peter Ilee (EO) and Ms Lyn Skouborg.
- 26 June 2013      **Commissioners**  
Ms Mary Patetsos (C), Ms Jane Gascoigne  
*Apologies: Mr John Ross.*
- Attendees**  
Mr Peter Ilee (EO) and Ms Lyn Skouborg.  
*Apologies: Mr Mick Petrovski.*

(C) Denotes Chair (or Presiding Member).  
(EO) Denotes Commission's Executive Officer.



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## CHAPTER 2 - COMMISSION ACTIVITIES 2012-13

### **Grant Allocation**

The total 2012-13 allocation of \$148,000,416 was reduced following the end of the financial year by \$177,476 after adjustment for CPI and population. This reduction will be passed on to councils in the four quarterly instalments during 2013-14. The actual allocation figure, which includes the adjusted 2012-13 allocations, is shown in *Appendix III*.

For 2013-14 the Commission made recommendations on the distribution of \$152,919,403 that included both the general financial assistance and identified local road grants. A full list of allocations is contained in *Chapter 6*.

The general financial assistance component was \$114,476,555, an increase of 3.19 percent on 2012-13. The identified local road component was \$38,442,848, an increase of 4.22 percent.

Allocations were prepared in accordance with national distribution principles, under the Commonwealth *Local Government (Financial Assistance) Act 1995*. The principles are detailed in *Chapter 4*.

The Grants Commission also distributed approximately two quarters of the estimated 2013-14 Financial Assistance Grants during 2012-13 in accordance with a request from the Commonwealth. On 12 June 2013, \$76,401,000 was forwarded by the Grants Commission to local governing authorities in South Australia.

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

During 1997-98 the Grants Commission completed the first stage of a major review of its general purpose grant methodology. The new methodology was introduced in line with the grant allocations for 1998-99. Changes were phased in over a seven-year period, concluding in 2004-05.

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

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

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

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

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

The revisions to the road length data (as at 30 June 2010) were used in the calculation of the 2011-12 financial assistance grants. An updated list of road lengths can be found in *Appendix VIII - Units of Measure - Expenditure*.

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

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

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

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

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

Following further research, the circulation of a summary of findings paper and a consultation workshop, the review concluded in early 2004, with the outcomes used in the calculations for the 2004-05 and 2005-06 grant recommendations.

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

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

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

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

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

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

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

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

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

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

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

In 2010-11, the Commission continued its work on the issue of growth within Local Government, engaging the services of the Emeritus Professor Cliff Walsh to continue the work of the previous year and make a final recommendation to the Commission. Professor Walsh undertook an in-depth investigation into the effects of growth, including the analysis of council financial data provided by the Commission, the Commission's existing methodology and population forecasts provided by the Department of Planning and Local Government. A workshop was held with Councils to identify those areas of Councils operations most effected by growth and further liaison took place with the South Australian Department of Treasury and Finance, the Department of Planning and Local Government and the Commonwealth Grants Commission.

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

Data provided by councils on expenditure for airports and airstrips continue to indicate that the sector makes an overall profit from this activity and a resultant negative standard cost. The Commission has resolved to undertake further work on this issue.

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

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

Finally, a review of the Sport and Recreation Expenditure Function following feedback received at council visits resulted in a change to the Unit of Measure (or cost driver) for this function. The Unit of Measure changed from the proportion of the councils population aged between 5 and 49 years to the proportion of councils population aged between 5 and 64 years.

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

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

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

KPMG consulted widely during this process, engaging with stakeholders that included local governing authorities, the Local Government Association of South Australia and State and Australian Government agencies. KPMG completed the review in June 2013 and is due to present its final reports and recommendations to the Commission for its consideration in July 2013.

### **Information Collection and Storage**

The Commission has forged a close relationship with the OSLGR to develop and maintain an electronic database for storing data relating to local government. This information is used by the Commission for calculating grants and by the Commission and the OSLGR for providing information to councils and other users.

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

Other data maintained by the Commission and the OSLGR includes:

- Rates information;

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

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

- Councils;
- The Local Government Association;
- The Government of South Australia;
- The Commonwealth Department of Regional Australia, Regional Development and Local Government;
- The Commonwealth Department of Infrastructure and Transport; and
- The Australian Bureau of Statistics.

During 2012-13, the Commission continued work with the OSLGR on the development of the database for data collected by the Commission and the Department. A module for storage of the Supplementary Return data was completed during 2010-11 and further work to store data from the General Information Return and data from other sources was completed during 2012-13.

The Commission also maintains a Geographical Information System, road centreline database, off site at Tonkin Consulting, which is updated each year based on information provided by councils.

A by-product of the road length audit process was the development of the Geographical Information System (GIS) in ArcInfo. Each year, the Commission produces detailed hard copy maps and/or data files by council, prepared in a GIS format, consistently mapped across the State. GIS data is also available in other formats, e.g. MapInfo.

### **Council Visits**

The Commission undertakes regular visits to councils to provide information and the opportunity for discussion about the grant allocation process. The Commission greatly values these occasions because of the contribution they make to improve the relevance of the grant process.

During 2012-13, the Commission continued with its visiting program. Commission members and staff attended 19 meetings at the councils listed on the following page, including a meeting of the Metropolitan Mayors and Chief Executive Officers to address all metropolitan councils. In addition to these meetings, the Commission's Executive Officer met with some Chief Executive Officers and Finance Managers at the Commission's city offices to discuss methodological issues and grant allocations.

**Visited in July 2012**

District Council of Grant  
 Kingston District Council  
 Maralinga Tjarutja Aboriginal Community  
 City of Mount Gambier  
 Naracoorte Lucindale Council  
 District Council of Robe  
 Tatiara District Council  
 Wattle Range Council

**Visited in November 2012**

Adelaide City Council  
 Adelaide Hills Council  
 City of Burnside  
 Campbelltown City Council

**Visited in November 2012**

City of Charles Sturt  
 Holdfast Bay City Council  
 City of Mitcham  
 City of Norwood, Payneham and St Peters  
 City of Onkaparinga  
 City of Playford  
 City of Port Adelaide Enfield  
 City of Prospect  
 City of Salisbury  
 City of Tea Tree Gully  
 City of Unley  
 Corporation of the Town of Walkerville  
 City of West Torrens

**Visited in February 2013**

Corporation of the City of Marion

**Visited in March 2013**

District Council of Cleve  
 District Council of Elliston  
 District Council of Lower Eyre Peninsula  
 City of Port Lincoln  
 District Council of Tumby Bay  
 District Council of Franklin Harbour  
 District Council of Kimba  
 District Council of Streaky Bay  
 Wudinna District Council

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## **Special Local Roads Program and the Local Government Transport Advisory Panel**

The Special Local Roads Program was established under the joint approvals of the South Australian Government, Commonwealth Government and Local Government. The Special Local Roads Program commenced in 1985-86 and facilitates funding of significant works throughout the State.

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

The Local Government Transport Advisory Panel is a Committee of the LGA, who provide executive support. The Committee's main role is to make recommendations to the Grants Commission on the allocation of the Special Local Roads component of the Financial Assistance Grants, the Supplementary Local Road Funding and the Commonwealth's Roads to Recovery Program. Formal reporting of funding allocations is contained within *Chapter 6* of this report.

The Committee comprises Mayor Brian Hurn, (Mayor, Barossa Council), as Chairperson, Mr Don Hogben (Director, Road Policy and Planning, Department of Planning, Transport and Infrastructure), Wally Iasiello (Director, Technical Services, City of Port Adelaide Enfield), Mayor Kym McHugh (Alexandrina Council) and Mr Peter Ilee (Executive Officer, SA Local Government Grants Commission). The Committee's Executive Officer is Mr David Hitchcock, an officer of the Local Government Association.

Each year the Committee calls for submissions from Local Government Regional Associations, which are asked to determine regional priorities within their areas.

For 2013-14, \$5.766 million will be allocated to specific projects under the Financial Assistance Grants program, \$2.672 million under the Supplementary Local Road Funding Grant and \$4.260 million from the Special Projects component of the Roads to Recovery Grants. In total \$12.698 million will be allocated to 30 projects across the State for 2013-14.

### **Local Roads Advisory Committee**

The Local Roads Advisory Committee is a committee of Transport SA. It no longer has a role to play in making recommendations to the Grants Commission on the prioritisation of roads for funding under the Special Local Roads Program.

It does however still have responsibility for advising the Minister for Transport, Energy and Infrastructure on the reclassification of roads. For example, where a council wishes a road to be reclassified from local to arterial, this request would go to the Local Roads Advisory Committee.

The Committee comprises Mayor Brian Hurn, (Mayor of the Barossa Council) as Chairperson, Mr Don Hogben (Director, Road Policy and Planning, Department of Planning, Transport and Infrastructure), and Mr Peter Ilee (Executive Officer, SA Local Government Grants Commission). The Committee's Executive Officer is Mr Silvio Visentin, a Senior Project Officer of the Department of Planning, Transport and Infrastructure.

## **Matters Referred By the Minister**

Under Section 20 of the State Act, the Minister for State/Local Government Relations may refer matters to the Commission for report. There were no references to the Commission under this section during 2012-13.

## **The Year Ahead**

The Commission endeavours to continually improve its methodology in allocating funds to local governing authorities. The Commission has conducted a major review of the current methodology during 2012-13.

The Terms of Reference for the review included the following areas of the Commission's methodology:

- Reviewing the current revenue assessments, including the use of use of property values;
- Reviewing the impact of the SEIFA (Socio Economic Index for Areas) Index from the Australian Bureau of Statistics in the current methodology;
- Investigating the impacts of fixed rates and variable charges on the revenue assessments;
- Investigating the impacts of water licensing on valuation data;
- Reviewing the current range of expenditure function calculations and their units of measure (cost driver) as a determinant of providing services;
- Reviewing the use of cost relativity indices in the methodology;
- Reviewing the weighting of individual expenditure function calculations on the overall assessment;
- Identifying the costs of services provided by Local Government that are not currently captured (or should no longer be captured) as part of the assessment process;
- Reviewing the current funding arrangements for the 5 Aboriginal Communities and the Outback Communities Authority; and
- Reviewing the distribution of the Identified Local Road Grants.

During 2013-14, the Commission will consider the recommendations of the review.

Working with its host State Government agency, the Commission will continue to provide assistance to the development of its database. Development of the database commenced in 2009-10 to provide a new platform for the Supplementary Return and was run in parallel with the old system for the 2009-10 data collection. From the 2010-11 data collection onwards, the Supplementary Return data was stored entirely on the new system and work to put the same platform in place for the General Information Return and other data collected by the Commission was completed in 2012-13. Further development of the database will continue in 2013-14.

Collection and dissemination of South Australia's Local Government Finance Statistics will again be a major focus in 2013-14. The Commission will continue to work with the data working group (LGA, Office for State/Local Government Relations, Local Government Financial Management Group and the Australian Bureau of Statistics) on standardising data collection forms and making the provision of information as easy as possible for councils.

The Commission continued a strong collaborative relationship with the LGA during 2012-13, introducing a number of strategies to improve its data collection and reduce its reliance on the Australian Bureau of Statistics. This will continue in 2013-14.

Accurate road length data is an essential element in the grant calculations. Existing data stored on the Commission's offsite Geographical Information System (GIS) will continue to be refined in association with councils during the year. The Commission will offer the road length data to councils in either CD format or hard copy map.

Understanding the needs and funding requirements of Aboriginal Communities is an ongoing responsibility of the Commission. The Commission will continue to monitor developments in the administration of the Aboriginal Communities in 2013-14 and respond to changes in grant funding in line with the National Principles as necessary.

The Commission will also continue with its council visiting program in 2013-14 and is planning to visit the remote Aboriginal Communities, Coober Pedy and Roxby Downs councils. These sessions provide a unique opportunity to discuss the grant allocation process. The Commission values the chance to educate councils on methodology details, and to be educated on specific issues facing council.

## CHAPTER 3 - LEGISLATIVE FRAMEWORK

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

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

The Act provides for:

- a per capita distribution (to the States) for the general financial assistance component;
- the continued separate identification of local road funding and maintenance of existing state shares for that funding;
- a national report on the operation of the Act, specifically the achievement of horizontal equalisation, the methods used by the Commissions, the performance of councils including their efficiency, and the provision of services to Aboriginal & Torres Strait Islander communities; and
- a set of national principles governing the distribution of grants between councils replacing the previous state by state principles. The principles, which provide for a distribution based on horizontal fiscal equalisation (subject to the minimum grant entitlement), are discussed in detail in *Chapter 4*.

The Commission allocated the grants for 2013-14 in accordance with these principles.

Detailed information about Financial Assistance Grants to Local Government since 1976 may be found in previous annual reports of the Commission, in special reports of the Commonwealth Grants Commission and in the report of the National Inquiry into Local Government Finance, 1985.

Distribution of the general financial assistance component to States is on a per capita basis. South Australia's share has been reducing as its population as a proportion of the Australian population declines, (see Table 1). State shares of identified local road funding are based on those existing prior to 1991-92, and South Australia receives less than a per capita share, see Table 2.

The total level of grants to Local Government in 2013-14 has increased in line with estimated inflation and the underlying growth in Commonwealth General Purpose payments to the States.

Entitlements for all States for 2012-13 and for 2013-14 are set out in Tables 1 and 2.

**TABLE 1 - Commonwealth General Purpose Financial Assistance for Local Government, State and Territory Entitlements 2012-13 and 2013-14**

State	2012-13						
	Proportion (%)	Original Allocation (Estimate) (\$mill)	Brought Fwd Pmt Paid in 2011-12 (\$mill)	Revised Allocation (Estimate) (\$mill)	Adjustment (\$mill)	Brought Fwd Pmt from 2013-14 (\$mill)	Allocation Actual (\$mill)
New South Wales	32.24	489.44	249.61	239.83	(0.39)	252.52	489.05
Victoria	24.79	376.92	192.46	184.46	(1.53)	195.26	375.39
Queensland	20.07	306.32	156.98	149.34	(1.57)	158.48	304.75
Western Australia	10.62	159.80	80.80	78.99	(2.02)	84.99	157.78
<b>South Australia</b>	<b>7.32</b>	<b>110.98</b>	<b>56.54</b>	<b>54.43</b>	<b>(0.04)</b>	<b>57.20</b>	<b>110.94</b>
Tasmania	2.28	34.35	17.41	16.93	0.12	17.65	34.47
Northern Territory	1.03	15.58	7.89	7.69	(0.06)	8.14	15.52
Australian Capital Territory	1.65	24.79	12.53	12.27	(0.15)	13.02	24.65
<b>TOTAL</b>	<b>100.00</b>	<b>1,518.17</b>	<b>774.23</b>	<b>743.94</b>	<b>(5.63)</b>	<b>787.26</b>	<b>1,512.55</b>

State	2013-14					% change 12/13 to 13/14 (%)
	Proportion (%)	Allocation (Estimate) (\$mill)	Brought Fwd Pmt Paid in 2012-13 (\$mill)	Allocation Plus Brought Fwd Pmt (\$mill)	Cash Payment (\$mill)	
New South Wales	32.08	253.22	252.52	505.74	252.83	3.41
Victoria	24.80	195.70	195.26	390.97	194.18	4.15
Queensland	20.13	158.88	158.48	317.36	157.31	4.14
Western Australia	10.80	85.20	84.99	170.19	83.19	7.86
<b>South Australia</b>	<b>7.26</b>	<b>57.27</b>	<b>57.20</b>	<b>114.48</b>	<b>57.23</b>	<b>3.19</b>
Tasmania	2.24	17.66	17.65	35.30	17.78	2.41
Northern Territory	1.03	8.16	8.14	16.31	8.10	5.08
Australian Capital Territory	1.66	13.08	13.02	26.10	12.93	5.90
<b>TOTAL</b>	<b>100.00</b>	<b>789.18</b>	<b>787.26</b>	<b>1,576.44</b>	<b>783.55</b>	<b>4.22</b>

**TABLE 2 - Commonwealth Identified Local Road Grants for Local Government, State and Territory Entitlements 2012-13 and 2013-14**

State	2012-13						
	Proportion (%)	Original Allocation (Estimate) (\$mill)	Brought Fwd Pmt Paid in 2011-12 (\$mill)	Revised Allocation (Estimate) (\$mill)	Adjustment (\$mill)	Brought Fwd Pmt from 2013-14 (\$mill)	Allocation Actual (\$mill)
New South Wales	29.01	195.45	99.67	95.77	(0.72)	101.35	194.72
Victoria	20.62	138.88	70.83	68.06	(0.51)	72.02	138.37
Queensland	18.74	126.22	64.37	61.85	(0.47)	65.45	125.75
Western Australia	15.29	103.00	52.53	50.47	(0.38)	53.41	102.62
<b>South Australia</b>	<b>5.50</b>	<b>37.02</b>	<b>18.88</b>	<b>18.14</b>	<b>(0.14)</b>	<b>19.20</b>	<b>36.88</b>
Tasmania	5.30	35.70	18.21	17.49	(0.13)	18.51	35.57
Northern Territory	2.34	15.78	8.05	7.73	(0.06)	8.18	15.72
Australian Capital Territory	3.21	21.60	11.02	10.59	(0.08)	11.20	21.52
<b>TOTAL</b>	<b>100.00</b>	<b>673.66</b>	<b>343.55</b>	<b>330.11</b>	<b>(2.50)</b>	<b>349.33</b>	<b>671.16</b>

State	2013-14						% change 12/13 to 13/14 (%)
	Proportion (%)	Allocation (Estimate) (\$mill)	Brought Fwd Pmt Paid in 2012-13 (\$mill)	Allocation Plus Brought Fwd Pmt (\$mill)	Cash Payment (\$mill)		
New South Wales	29.01	101.60	101.35	202.95	100.87	4.22	
Victoria	20.62	72.19	72.02	144.21	71.68	4.22	
Queensland	18.74	65.61	65.45	131.06	65.14	4.22	
Western Australia	15.29	53.54	53.41	106.96	53.16	4.23	
<b>South Australia</b>	<b>5.50</b>	<b>19.24</b>	<b>19.20</b>	<b>38.44</b>	<b>19.11</b>	<b>4.22</b>	
Tasmania	5.30	18.56	18.51	37.07	18.42	4.22	
Northern Territory	2.34	8.20	8.18	16.39	8.14	4.22	
Australian Capital Territory	3.21	11.23	11.20	22.43	11.15	4.22	
<b>TOTAL</b>	<b>100.00</b>	<b>350.18</b>	<b>349.33</b>	<b>699.51</b>	<b>347.69</b>	<b>4.22</b>	

### South Australian Local Government Grants Commission Act 1992

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

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

### Eligible Bodies

For the 2013-14 allocations there were 68 councils, the Outback Communities Authority and five Aboriginal communities eligible for grants.



## CHAPTER 4 - National Principles, General Purpose & Road Grants

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

There are six main principles for general purpose grants and an additional one for road grants. They are:

### General Purpose National Principles

#### (i) Horizontal Equalisation

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

#### (ii) Effort Neutrality

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

#### (iii) Minimum Grant

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

#### (iv) Other Grant Support

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

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

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

#### (vi) Council Amalgamation

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

### Identified Road Component National Principle

#### (vii) Identified Road Component

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

## CHAPTER 5 - METHODOLOGY

### General Purpose Grant

The methodology used to assess the general purpose component of the Local Government Financial Assistance Grants is intended to achieve an allocation of grants to local governing bodies in the State consistent with the National Principles. The over-riding principle is one of Horizontal Fiscal Equalisation, which is constrained by a requirement that each local governing body must receive a minimum entitlement per head of population as prescribed in the Commonwealth legislation.

The South Australian Local Government Grants Commission uses a direct assessment approach to the calculations. This involves the separate estimation of a component revenue grant and a component expenditure grant for each council, which are aggregated to determine each council's overall equalisation need. Available funds are distributed in accordance with the relativities established through this process and adjustments are made as necessary to ensure the per capita minimum entitlement is met for each council. For local governing bodies outside the incorporated areas (the Outback Communities Authority and five Aboriginal Communities) allocations are made on a per capita basis.

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

### Formulae

#### *General financial assistance*

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

$$G = P_c \times S \times \left[ \left( \frac{U_s}{P_s} \times RRI_s \right) - \left( \frac{U_c}{P_c} \times RRI_c \right) \right]$$

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

$$G = P_c \times S \times \left[ \left( \frac{U_c}{P_c} \times CRI_c \right) - \left( \frac{U_s}{P_s} \times CRI_s \right) \right]$$

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

$G$  = council's calculated relative need assessment

$P$  = population

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

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

RRI = Revenue Relativity Index. CRI = Cost Relativity Index (previously known as the disability factor). They are centred around 1.00, i.e.  $RRI_s$  or  $CRI_s$  equals 1.00. If more than one CRI exists for any function then they are multiplied together to give an overall CRI for that function.

In the revenue calculations for both residential and rural assessments, the Commission has calculated a revenue relativity index based on the SEIFA Index of Economic Resources. Where no revenue relativity index exists the  $RRI_c = 1.0$ . For a list of the Revenue Relativity Indices applied to this year's valuation data, see *Appendix VI*.

Currently in all expenditure calculations with the exception of roads, stormwater and waste management there are no disability factors applied, and consequently  $CRI_c = 1.0$ .

The raw grants, calculated for all functions using the above formulae, both on the revenue and expenditure sides, are then totalled to give each council's total raw grant figure. Any council whose raw calculation per head is less than the per capita figure, (\$20.75 for 2013-14), then has the per capita figure applied. The balance of the allocated amount is then apportioned to the remaining councils based on their calculated proportion of the raw grant. Commission determined limits are then applied to minimise the impact on council's budgetary processes.

In the calculation of the 2013-14 grants, the Commission generally constrained changes to councils between positive 12% and minus 5%. Two per capita minimum councils had increases in grants slightly above the 12% cap in order to maintain their per capita minimum grant allocation due to adjustments to population data following the 2011 Census. An iterative process is then undertaken until the full allocation is determined.

### ***Component Revenue Grants***

Component revenue grants compensate or penalise councils according to whether their **capacity to raise revenue** from rates is 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 assessments.

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

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

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

### ***Subsidies***

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

### ***Component Expenditure Grants***

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

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

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

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

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

To overcome fluctuations in the base data, inputs into the expenditure assessments (with the exception of the newly revised road lengths) are averaged over three years.

The following table details the approach taken to expenditure functions included in the methodology.

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

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

2 Includes both construction and maintenance activities.

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

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

- 5 The Commission has for these functions, used CRI's based on the results of a consultancy led by Emcorp and Associates, in association with PPK Environment and Infrastructure. Tonkin Consulting has since refined the results. For a breakdown of each cost relativity indices by type of road, refer *Appendix V*.
- 6 Comprises Commission determined relative expenditure needs with respect to the following:
- Non-Resident Use / Tourism / Regional Centre – assessed to be high, medium or low;
  - Duplication of Facilities – identified by the number of urban centres and localities (as determined by the Australian Bureau of Statistics (ABS));
  - Isolation – measured as distance from the GPO to the main service centre for the council (as determined by the RAA);
  - Additional recognition of needs of councils with respect to Aboriginal people – identified by the proportion of the population identified as Aboriginal or Torres Strait Islander;
  - Unemployment – identified by the proportion of the population unemployed;
  - 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 from 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; and
  - The provision of Cultural and Tourist Facilities – assessed to be high, medium or low.

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

The calculated standards by function are outlined in the next section.-

## Summary of figures by function

Total Population = 1654778

Function	Standard in Dollars	Unit of Measure per Capita	Total Units of Measure	Unit of Measure
<b>Expenditure Functions</b>				
Waste Management	164.51	0.41038	675,116	No of residential properties
Aged Care Services	129.50	0.15955	262,473	Population aged more than 65
Services To Families And Children	55.01	0.17640	290,198	Population aged 0 to 14
Health Inspection	271.36	0.01289	21,209	Establishments to inspect
Libraries	-	-	-	Number of visitors
Sport and Recreation	137.15	0.78107	1,284,932	Population aged 5 to 49
Sealed Roads - Built Up	10,076.86	0.00640	10,533	Kilometres of sealed builtup
Sealed Roads - Non Built Up	10,076.86	0.00456	7,494	Kilometres of sealed non-builtup
Sealed Roads - Footpaths etc	12,833.81	0.00640	10,533	Kilometres of sealed builtup
Unsealed Roads - Built Up	1,562.80	0.00044	725	Kilometres of formed and surfaced, and natural surface formed builtup road
Unsealed Roads - Non Built Up	1,562.80	0.02863	47,101	Kilometres of formed and surfaced, and natural surface formed non-builtup road
Roads - Unformed	122.41	0.00534	8,779	Kilometres of natural surfaced unformed road
Stormwater Drainage - Maintenance	68.42	0.44292	728,640	No of urban, industrial and commercial properties including exempt
Community Support	39.86	0.99994	1,644,993	3yr average population * SEIFA Advantage Disadvantage CRI
Jetties and Wharves	3,337.66	0.00005	77	Number of jetties and wharves
Public Order and Safety	20.47	0.56315	926,438	Total no of properties
Planning And Building Control	1,235.12	0.02819	46,379	No of new developments and additions
Bridges	5,847.39	0.00067	1,103	Number of bridges
Other Special Needs	1.00	28.65709	47,143,400	Total of dollars attributed
<b>Revenue Functions</b>				
Rates - residential	0.0031	145,019	238,291,129,107	Valuation of residential
- commercial	0.0058	18,769	30,876,879,737	Valuation of commercial
- industrial	0.0090	2,763	4,546,070,265	Valuation of industrial
- rural	0.0029	20,253	32,826,417,363	Valuation of rural
- other	0.0024	10,186	16,756,361,634	Valuation of other
Subsidies	1.00	19.37079	31,866,636	The total of the subsidies

## Calculated standards by function

The Commission uses the above table to enable it to calculate a council's raw grant for each of the given functions. This is done by calculating each individual council's unit of measure per capita, comparing it with the similar figure from the table and then multiplying the difference by the standard from the table and its own population. If *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, (\$20.75 for 2013-14), the grant is adjusted to bring it up to the per capita minimum entitlement.

The balance of the allocated amount, less allocation to other local governing bodies outside the incorporated areas, is then apportioned to the remaining councils based on their calculated proportion of the raw grant. Commission determined limits may then be applied to minimise the impact on council's budgetary processes. In the calculation of the 2013-14 grants, the Commission constrained changes between positive 12% and minus 5%. Two per capita minimum councils had increases in grants slightly above the 12% cap in order to maintain their per capita minimum grant allocation due to adjustments to population data following the 2011 Census. An iterative process is then undertaken until the full allocation is determined.

### **Identified Local Road Grant**

In South Australia, the identified local road grants pool is divided into formula grants (85%) and special local road grants (15%).

The formula component is divided between metropolitan and non-metropolitan councils on the basis of an equal weighting of road length and population.

In the metropolitan area, allocations to individual councils are determined again by an equal weighting of population and road length. In the non-metropolitan area, allocations are made on an equal weighting of population, road length and the area of the council.

Distribution of the special local road grants is based on recommendations from the Local Government Transport Advisory Panel. This Committee is responsible for assessing submissions from regional associations on local road projects of regional significance.

### **Outback Communities Authority**

The Outback Communities Authority is prescribed as a local governing body for the purposes of the Grants Commission's recommendations.

The Authority was established on 1 July 2010 under legislation of the South Australian Parliament, replacing the Outback Areas Community Development Trust as the management and governance authority for the outback.

The Authority provides support to outback communities for the provision of public services and facilities, addresses long term requirements and maintenance of outback infrastructure, plans and consults with outback communities, advocates on behalf of outback communities and manages and maintains public assets.

Due to the lack of comparable data, the Commission is not able to calculate the grant to the Authority in the same manner as grants to other local governing bodies. Rather, a per capita grant has been established. The 2013-14 per capita general purpose grant is \$365.96.

General purpose grants for the Authority increased by a dollar value of \$100,000 for 2012-13, an increase of 7.48%. The increase resulted from the Commission's assessment of the Authority's submission for additional funding based on increased service need following its commencement.

The Commission have continued to maintain grants to the Outback Communities Authority for 2013-14 inclusive of the 2012-13 increase, subject to the outcomes of the methodology review.

### **Aboriginal Communities**

Since 1994-95 the Grants Commission has allocated grants to 5 Aboriginal communities recognised as local governing authorities for the purposes of the *Commonwealth Local Government (Financial Assistance) Act 1995*.

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

Again, due to the unavailability of data, grants for these communities are not calculated in the same manner as grants to other local governing bodies. Initially, the Commission utilised the services of a consultant, Alan Morton, of Morton Consulting Services, who completed a study on the expenditure needs of the communities and their revenue raising capacities. Comparisons were made with communities in other states and per capita grants were established. Grants have gradually been increased since the initial study. For 2013-14 the per capita grant varied from \$182.35 for Gerard Community to \$1,147.81 for Maralinga Tjarutja Community.

## CHAPTER 6 – GRANT ALLOCATIONS FOR 2013-14

Local Government Authority	Population as at 30-Jun-12	General Purpose Grant (\$)	Identified Road Grant (\$)	Special Local Road Grant (\$)	Total Estimated Grant (\$)
Adelaide	21,618	448,574	235,418		683,992
Adelaide Hills	39,903	827,987	697,655	200,000	1,725,642
Alexandrina	24,529	642,329	553,768		1,196,097
Barossa	22,611	533,381	444,292		977,673
Barunga West	2,476	354,519	187,521		542,040
Berri Barmera	10,781	2,448,101	211,113		2,659,214
Burnside	44,207	917,295	464,803		1,382,098
Campbelltown	50,250	1,042,688	517,748		1,560,436
Ceduna	3,692	2,085,516	430,235		2,515,751
Charles Sturt	109,721	2,276,711	1,145,319		3,422,030
Clare & Gilbert Valleys	8,929	545,992	375,710		921,702
Cleve	1,736	952,302	345,252	520,000	1,817,554
Cooper Pedy	1,784	821,521	44,652		866,173
Coorong	5,661	2,454,190	644,806		3,098,996
Copper Coast	13,314	1,505,426	302,670		1,808,096
Elliston	1,051	744,230	397,330		1,141,560
Flinders Ranges	1,709	1,225,913	291,434	1,067,000	2,584,347
Franklin Harbour	1,284	1,053,968	248,507		1,302,475
Gawler	21,220	1,169,438	286,186	330,000	1,785,624
Goyder	4,193	2,708,360	655,718		3,364,078
Grant	7,988	960,036	324,090	130,000	1,414,126
Holdfast Bay	36,421	755,736	363,395		1,119,131
Kangaroo Island	4,522	1,413,054	384,863		1,797,917
Karoonda East Murray	1,042	1,228,019	329,348		1,557,367
Kimba	1,093	1,022,117	293,646		1,315,763
Kingston	2,350	555,446	243,332		798,778
Light	14,166	293,945	397,312		691,257
Lower Eyre Peninsula	5,072	475,144	399,984		875,128
Loxton Waikerie	11,445	3,655,141	711,471		4,366,612
Mallala	8,544	1,041,095	243,817		1,284,912
Marion	86,396	1,792,717	921,600		2,714,317
Mid Murray	8,230	3,134,096	627,227		3,761,323
Mitcham	65,385	1,356,739	734,675	490,000	2,581,414
Mount Barker	31,011	673,820	531,005		1,204,825
Mount Gambier	25,911	2,204,977	381,702	255,000	2,841,679
Mount Remarkable	2,907	1,685,243	354,921		2,040,164



Local Government Authority	Population as at 30-Jun-12	General Purpose Grant (\$)	Identified Road Grant (\$)	Special Local Road Grant (\$)	Total Estimated Grant (\$)
Murray Bridge	20,420	3,159,894	458,324		3,618,218
Naracoorte Lucindale	8,333	2,210,481	469,340	315,000	2,994,821
Northern Areas	4,548	1,423,641	390,502		1,814,143
Norwood, Payneham & St Peters	36,706	761,650	354,253		1,115,903
Onkaparinga	164,977	5,674,366	2,265,651	242,000	8,182,017
Orroroo Carrieton	889	986,199	247,775		1,233,974
Peterborough	1,752	1,351,259	238,111		1,589,370
Playford	83,067	8,700,491	1,205,330		9,905,821
Port Adelaide Enfield	118,295	2,454,621	1,285,011		3,739,632
Port Augusta	14,539	2,708,260	283,026		2,991,286
Port Lincoln	14,629	1,102,094	219,514		1,321,608
Port Pirie	17,635	4,001,423	419,223		4,420,646
Prospect	20,969	435,107	198,621		633,728
Renmark Paringa	9,400	2,579,614	214,083		2,793,697
Robe	1,422	29,786	105,262	179,000	314,048
Roxby Downs	4,935	102,401	76,636		179,037
Salisbury	133,905	6,499,193	1,485,336		7,984,529
Southern Mallee	2,108	1,143,764	390,976		1,534,740
Streaky Bay	2,210	1,492,274	448,947	600,000	2,541,221
Tatiara	6,582	2,358,992	541,554	398,000	3,298,546
Tea Tree Gully	98,399	2,041,779	1,094,985		3,136,764
Tumby Bay	2,629	543,152	254,961		798,113
Unley	38,534	799,581	368,925	190,000	1,358,506
Victor Harbor	14,291	296,538	253,579		550,117
Wakefield	6,771	1,776,001	513,261		2,289,262
Walkerville	7,345	152,409	73,767		226,176
Wattle Range	11,723	1,887,291	526,716	190,000	2,604,007
West Torrens	57,454	1,192,171	590,369		1,782,540
Whyalla	22,734	3,926,132	387,067		4,313,199
Wudinna	1,262	1,248,927	383,008		1,631,935
Yankalilla	4,478	124,215	145,768	660,000	929,983
Yorke Peninsula	11,176	1,421,746	788,216		2,209,962
Outback Communities Authority	3,927	1,437,109			1,437,109
Anangu Pitjantjatjara Yankunytjatjara	2,840	1,126,081	144,491		1,270,572
Gerard Cty Council	241	43,947	19,251		63,198
Maralinga Tjarutja	80	91,825	51,695		143,520
Nipapanha Community Inc.	117	28,191	19,168		47,359
Yalata Community Inc.	304	158,184	41,621		199,805
<b>STATE TOTAL</b>	<b>1,654,778</b>	<b>114,476,555</b>	<b>32,676,848</b>	<b>5,766,000</b>	<b>152,919,403</b>

## **APPENDIX I - Member profiles**

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

Commissioner of the Local Government Grants Commission since 2002 and Commission Chair since 2010. Current positions include Director ACH Group since 2009; Board Member SA Housing Trust, 2005, including Chair of Housing Audit and Finance Committees and Chair of Local Government Disaster Fund. She is a member SA Health Performance Council and the National Housing Supply Council since 2010. Mary is also a Director on numerous not for profit Boards including Director for Common Ground Adelaide, Aged Care Housing Group and Power Community Limited and Chair of the FECCA Healthy Ageing Reference Committee.

### **John Ross, Cr**

Commissioner of the Local Government Grants Commission since August 2005. Councillor of Tatiara Council since 1979; Chairman of Tatiara Council 1989-1992 and 2003 to 2005, President of the SA Local Government Association 1995-1997; President of the Australian Local Government Association 1999-2002; President of the South East Local Government Association 1990-1995; Chair of the Local Government Mutual Liability Scheme since 1997; Chair of the Local Government Workers Compensation Scheme since 1997; Australian Transport Council member 1997-2002; Austroads board member 1997-2002; Chair of Forestry SA board since 2003; Member of Council of Australian Governments 1999-2002; LGA representative on State Water Resources Council 1990-1996; Chairman of STEDs scheme 1992-1996; Chairman of South East Relief Trust 1993-1995; and Chairman of SA Council Purchasing Co-Op 1997-1998.

### **Jane Gascoigne, BBus BEd**

Commissioner of the SA Local Government Grants Commission since 2010. Currently, Executive Manager of the Institute of Public Works Engineering Australia (SA Division); Prior employment as Director, Local Government Grants and Regional Communities, Department of Planning and Local Government; Executive Officer, South Australia Local Government Grants Commission; Executive Officer, South Australian Local Government Disaster Fund; Lecturer, Department of Technical and Further Education. Previous Board Membership: National Steering Committee overseeing the implementation of the National Framework for Women in Local Government (ALGWA); National Steering Committee overseeing the implementation of the Year of Women in Local Government (LGMA); Local Roads Advisory Committee; Local Government Transport Advisory Panel; and South Australian Local Government Disaster Fund.

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## **APPENDIX II - Freedom of Information Act 1991**

### **Statement Section 9**

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

Refer Chapter 1 of this report.

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

The Commission's primary function is to make recommendations to the responsible Minister on the distribution of untied Commonwealth financial assistance grants to local governing authorities in South Australia. Consequently the Commission's decision making has no direct effect on members of the public.

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

As mentioned in Chapter 2 of this report, public hearings are incorporated into council visits. Members of the public are invited to attend these meetings and to make submissions to the Commission.

#### *Categories of documents*

Annual reports of the Commission are available for perusal at the Commission's offices. Other documents held by the Commission:

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

Information is stored both electronically and on hard copy.

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

#### *Facilities for access and initial contact point*

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

	The Executive Officer Local Government Grants Commission Level 7, Roma Mitchell House 136 North Terrace ADELAIDE SA 5000
Postal Address	GPO Box 1815 ADELAIDE SA 5001
Telephone	(08) 8204 8719
Fax	(08) 8204 8735
E-mail	Grants.Commission@sa.gov.au

Business hours are 9.00 am to 5.00 pm. An appointment is necessary. The Executive Officer, as Principal Officer, has power under Section 20 of the *Freedom of Information Act 1991* to refuse access to a document.

**APPENDIX III - Final allocations for 2012-13**

<b>Local Government Authority</b>	<b>2012-13 Actual General Purpose Grant \$</b>	<b>2012-13 Actual Road Grant \$</b>	<b>2012-13 Special Road Grant \$</b>	<b>2012-13 Total Actual Grant \$</b>
Adelaide	402,819	217,099	230,000	849,918
Adelaide Hills	811,424	669,681		1,481,105
Alexandrina	608,274	523,619		1,131,893
Barossa	489,340	429,808		919,148
Barunga West	359,917	182,417		542,334
Berri Barmera	2,339,063	207,546		2,546,609
Burnside	892,598	446,405		1,339,003
Campbelltown	1,001,562	493,881	160,000	1,655,443
Ceduna	2,117,276	415,568		2,532,844
Charles Sturt	2,197,419	1,094,690		3,292,108
Clare & Gilbert Valleys	487,493	360,810		848,303
Cleve	941,400	334,362	500,000	1,775,762
Cooper Pedy	834,031	44,608		878,639
Coorong	2,251,551	621,494		2,873,045
Copper Coast	1,551,986	287,660		1,839,646
Elliston	744,585	383,782		1,128,367
Flinders Ranges	1,192,024	281,769	763,000	2,236,793
Franklin Harbour	1,054,448	240,257		1,294,705
Gawler	1,093,214	272,155	79,000	1,444,369
Goyder	2,624,446	632,190		3,256,636
Grant	880,767	315,076	94,000	1,289,843
Holdfast Bay	724,242	346,263		1,070,505
Kangaroo Island	1,345,393	371,789		1,717,182
Karoonda East Murray	1,126,623	318,749		1,445,372
Kimba	993,324	283,256		1,276,579
Kingston	563,904	235,563	80,000	879,468
Light	284,955	380,060		665,014
Lower Eyre Peninsula	435,912	382,900		818,812
Loxton Waikerie	3,441,775	691,183		4,132,958
Mallala	1,021,327	233,563	215,000	1,469,890
Marion	1,726,044	879,928		2,605,972
Mid Murray	3,067,031	607,425		3,674,456
Mitcham	1,324,089	704,036	374,000	2,402,125
Mount Barker	624,240	501,047		1,125,287
Mount Gambier	2,022,915	365,774		2,388,689
Mount Remarkable	1,674,830	342,613		2,017,443

<b>Local Government Authority</b>	<b>2012-13 Actual General Purpose Grant \$</b>	<b>2012-13 Actual Road Grant \$</b>	<b>2012-13 Special Road Grant \$</b>	<b>2012-13 Total Actual Grant \$</b>
Murray Bridge	2,989,858	427,960		3,417,818
Naracoorte Lucindale	2,027,964	453,622		2,481,586
Northern Areas	1,306,093	379,269		1,685,362
Norwood, Payneham & St Peters	735,453	338,981		1,074,435
Onkaparinga	5,790,170	2,166,188	420,000	8,376,358
Orroroo Carrieton	896,545	239,167		1,135,711
Peterborough	1,317,456	231,858		1,549,313
Playford	8,125,461	1,142,614	395,000	9,663,075
Port Adelaide Enfield	2,306,301	1,209,170		3,515,471
Port Augusta	2,749,502	271,814		3,021,316
Port Lincoln	1,011,095	209,655		1,220,750
Port Pirie	3,939,399	407,068		4,346,468
Prospect	423,232	190,652		613,884
Renmark Paringa	2,479,065	209,877		2,688,942
Robe	30,240	102,227	204,000	336,467
Roxby Downs	89,995	66,769		156,764
Salisbury	6,841,256	1,413,369		8,254,625
Southern Mallee	1,078,915	376,727		1,455,643
Streaky Bay	1,485,199	431,951	554,000	2,471,150
Tatiara	2,164,213	528,100	336,000	3,028,313
Tea Tree Gully	2,018,794	1,059,861		3,078,656
Tumby Bay	551,423	246,732		798,155
Unley	778,532	354,764		1,133,297
Victor Harbor	285,698	240,085		525,783
Wakefield	1,629,359	471,730		2,101,089
Walkerville	149,128	71,126		220,253
Wattle Range	1,715,719	515,329		2,231,048
West Torrens	1,132,144	559,832	750,000	2,441,976
Whyalla	3,985,920	374,372		4,360,293
Wudinna	1,260,845	369,536		1,630,381
Yankalilla	112,923	141,630	399,000	653,553
Yorke Peninsula	1,437,742	765,575		2,203,317
				-
Outback Communities Authority	1,437,109			1,437,109
Anangu Pitjantjatjara Yankunytjatjara	1,091,270	138,542		1,229,812
Gerard Cty Council	42,589	18,458		61,047
Maralinga Tjarutja	88,987	49,567		138,554
Nipapanha Community Inc.	27,319	18,379		45,698
Yalata Community Inc.	153,294	39,907		193,202
<b>STATE TOTAL</b>	<b>110,938,451</b>	<b>31,331,489</b>	<b>5,553,000</b>	<b>147,822,940</b>

## APPENDIX IV - Road lengths by council by surface type at 30 June 2012

(Road length data includes laneways)

Council name	Sealed	Formed	Unformed	TOTAL
Adelaide	127	0	0	127
Adelaide Hills	610	471	9	1,090
Alexandrina	548	770	24	1,342
Barossa	341	557	71	970
Barunga West	72	754	105	931
Berri Barmera	261	129	38	428
Burnside	234	5	0	239
Campbelltown	254	0	0	254
Ceduna	77	1381	257	1,715
Charles Sturt	573	1	0	575
Clare & Gilbert Valleys	221	1418	187	1,826
Cleve	75	1204	116	1,396
Cooper Pedy	29	129	263	421
Coorong	349	1543	1	1,893
Copper Coast	276	547	131	955
Elliston	44	967	136	1,148
Flinders Ranges	28	898	336	1,262
Franklin Harbour	87	811	37	935
Gawler	165	21	2	187
Goyder	158	2864	226	3,248
Grant	470	795	313	1,578
Holdfast Bay	178	1	0	179
Kangaroo Island	255	1056	51	1,362
Karoonda East Murray	111	1140	48	1,299
Kimba	90	990	636	1,716
Kingston	126	558	60	744
Light	171	1230	57	1,459
Lower Eyre Peninsula	141	1117	83	1,341
Loxton Waikerie	415	1701	200	2,316
Mallala	140	681	136	958
Marion	472	0	0	472
Mid Murray	350	2054	984	3,388
Mitcham	399	6	1	406
Mount Barker	346	397	30	773
Mount Gambier	214	3	1	219
Mount Remarkable	97	1536	432	2,066

<b>Council name</b>	<b>Sealed</b>	<b>Formed</b>	<b>Unformed</b>	<b>TOTAL</b>
Murray Bridge	419	534	21	974
Naracoorte Lucindale	488	1086	41	1,615
Northern Areas	135	1788	274	2,198
Norwood, Payneham & St. Peter	172	0	0	172
Onkaparinga	1267	191	3	1,461
Orroroo Carrieton	53	878	696	1,628
Peterborough	40	805	385	1,230
Playford	712	95	6	813
Port Adelaide Enfield	669	4	0	673
Port Augusta	192	124	92	409
Port Lincoln	150	6	2	158
Port Pirie	330	633	212	1,175
Prospect	90	0	0	90
Renmark Paringa	307	138	51	496
Robe	42	337	56	435
Roxby Downs	34	4	0	39
Salisbury	790	6	0	796
Southern Mallee	115	1077	144	1,336
Streaky Bay	85	1429	219	1,733
Tatiara	516	1191	225	1,932
Tea Tree Gully	579	10	6	595
Tumby Bay	52	968	90	1,110
Unley	170	0	0	170
Victor Harbor	248	134	2	384
Wakefield	205	2392	85	2,683
Walkerville	36	0	0	36
Wattle Range	516	1387	559	2,461
West Torrens	292	0	0	292
Whyalla	221	126	3	350
Wudinna	81	1273	351	1,705
Yankalilla	129	367	48	543
Yorke Peninsula	469	3185	236	3,889
<b>TOTAL</b>	<b>18,109</b>	<b>47,908.46</b>	<b>8,779</b>	<b>74,797</b>

## APPENDIX V – Cost Relativity Indices - 2013-14 Financial Assistance Grants

	Sealed Built-up Roads	Sealed Non-Built-up Roads	Unsealed Built-up Roads	Unsealed Non-Built-up Roads	Unformed Roads	Waste Management	Stormwater Maintenance
Adelaide	1.02	0.96	1.00	1.00	1.00	0.97	0.99
Adelaide Hills	1.04	1.07	1.17	1.08	1.14	1.03	0.92
Alexandrina	0.91	0.98	1.02	1.03	1.04	1.01	0.91
Barossa	1.00	1.03	1.03	1.03	1.05	1.13	0.92
Barunga West	0.87	0.92	0.98	0.98	1.00	1.02	0.90
Berri Baramba	1.05	0.99	1.00	1.05	1.05	1.06	0.92
Burnside	1.14	0.96	0.99	0.93	0.90	1.01	0.96
Campbelltown	1.24	0.96	1.00	1.00	1.00	1.01	0.95
Ceduna	0.89	0.95	1.01	1.01	1.00	1.08	0.90
Charles Sturt	0.93	0.97	1.00	1.00	1.00	0.97	1.08
Clare & Gilbert Valleys	1.02	0.98	0.99	1.00	1.04	1.10	0.92
Cleve	0.87	0.92	0.98	0.98	1.00	0.98	0.94
Coober Pedy	0.90	0.94	0.98	0.98	1.00	1.13	0.84
Coorong	0.90	0.95	1.00	1.00	1.02	1.11	0.95
Copper Coast	0.87	0.92	0.98	0.98	1.00	1.01	0.92
Elliston	0.84	0.83	0.96	0.95	0.92	1.31	0.94
Flinders Ranges	0.87	1.04	0.97	0.94	0.92	1.09	0.87
Franklin Harbour	0.87	0.92	0.99	0.98	1.00	1.05	0.93
Gawler	0.90	1.00	1.01	1.04	1.11	1.01	0.98
Goyder	0.89	0.91	0.99	0.99	1.00	1.12	0.89
Grant	0.88	0.87	0.98	0.94	0.93	1.09	0.96
Holdfast Bay	1.09	0.99	1.00	0.00	1.00	0.97	1.07
Kangaroo Island	0.94	0.99	1.00	1.03	0.99	1.18	0.91
Karoonda East Murray	0.87	0.91	0.98	0.98	0.99	1.26	0.87
Kimba	0.87	0.93	0.98	0.99	1.00	1.05	0.92
Kingston	1.03	1.03	1.00	0.96	1.06	1.05	0.95
Light	0.85	0.94	0.98	0.99	1.02	1.09	0.98
Lower Eyre Peninsula	0.91	0.95	0.98	0.99	1.00	1.18	0.95
Loxton Waikerie	0.88	0.98	0.98	0.98	0.98	1.15	0.90
Mallala	0.84	0.90	0.98	0.98	1.00	1.13	0.95
Marion	1.08	0.96	0.98	0.98	1.00	0.97	0.98
Mid Murray	1.05	1.08	1.09	1.03	1.02	1.05	0.88
Mitcham	1.11	0.99	0.94	0.98	1.01	0.98	0.96
Mount Barker	0.96	0.99	0.98	1.00	1.03	1.03	0.99
Mount Gambier	0.81	0.79	0.99	0.89	0.90	0.98	1.00
Mount Remarkable	0.88	0.93	0.99	0.99	0.99	1.17	0.87
Murray Bridge	0.86	1.01	1.00	1.01	1.03	1.05	0.98
Naracoorte Lucindale	0.96	1.11	1.03	1.07	1.18	1.05	0.95
Northern Areas	0.88	0.92	1.01	1.01	1.01	1.10	0.91
Norwood, Payneham & St Peters	1.19	0.96	1.00	1.00	1.00	0.98	0.95
Onkaparinga	1.00	1.04	0.99	1.02	1.06	0.99	0.99
Ororo Carrieton	0.87	0.90	0.98	0.97	0.96	1.22	0.85
Peterborough	0.88	0.91	1.00	1.00	0.96	1.01	0.89
Playford	1.10	1.03	1.07	1.01	1.05	0.97	1.08
Port Adelaide Enfield	1.05	0.97	1.19	1.00	1.00	0.98	1.15
Port Augusta	0.87	0.90	0.98	0.98	1.00	0.98	0.92
Port Lincoln	0.78	0.90	0.95	0.99	0.95	1.00	0.98
Port Pirie	0.88	0.91	1.00	1.01	1.00	0.99	1.07
Prospect	0.97	0.97	1.00	1.00	1.00	0.98	0.99
Renmark Paringa	1.22	1.21	1.21	1.08	1.09	0.99	0.99
Robe	0.98	0.94	0.98	1.04	1.07	1.02	0.94
Roxby Downs	0.88	0.90	0.99	0.98	1.00	0.98	0.91
Salisbury	1.05	0.96	1.12	1.05	1.00	0.98	1.01
Southern Mallee	0.88	0.95	1.01	1.00	0.97	1.11	0.90
Streaky Bay	0.76	0.82	0.95	0.95	0.97	1.02	0.90
Tatiara	1.06	1.07	1.15	1.04	1.05	0.99	0.92
Tea Tree Gully	1.08	1.07	1.07	1.01	1.08	0.98	0.96
Tumby Bay	0.88	0.93	1.01	1.01	1.00	1.07	0.94
Unley	1.26	0.97	1.00	1.00	1.00	0.98	0.98
Victor Harbor	0.88	0.95	0.94	0.98	0.92	1.00	0.99
Wakefield	0.88	0.90	1.00	1.01	1.00	1.07	0.92
Walkerville	1.06	0.96	1.00	1.00	1.00	0.97	0.97
Wattle Range	0.98	1.15	1.00	1.04	1.11	1.13	0.99
West Torrens	0.94	0.97	1.00	1.00	1.00	0.98	1.07
Whyalla	0.84	0.89	1.00	1.01	1.00	0.99	0.99
Wudinna	0.88	0.92	1.00	0.98	0.99	1.03	0.88
Yankalilla	0.99	1.08	0.99	1.02	1.05	1.02	0.99
Yorke Peninsula	0.87	0.89	0.99	0.99	0.97	1.09	0.95



## APPENDIX VI – Revenue relativity index – 2013-14 Financial Assistance Grants

	SEIFA Index of Economic-Resources	Converted to be centred around 1
Adelaide	874.303814	0.891089
Adelaide Hills	1082.609514	1.103394
Alexandrina	1000.020953	1.019220
Barossa	1027.978887	1.047715
Barunga West	980.9946496	0.999828
Berri Baramera	927.2674587	0.945070
Burnside	1044.495148	1.064548
Campbelltown	989.5761623	1.008575
Ceduna	940.5006614	0.958557
Charles Sturt	957.1495661	0.975525
Clare & Gilbert Valleys	1003.054095	1.022311
Cleve	1021.336811	1.040945
Coober Pedy	870.3099372	0.887019
Coorong	965.6347135	0.984173
Copper Coast	955.1868559	0.973525
Elliston	977.6215957	0.996390
Flinders Ranges	968.7272326	0.987325
Franklin Harbour	982.6914905	1.001558
Gawler	973.1754286	0.991859
Goyder	972.1563996	0.990820
Grant	1046.171585	1.066257
Holdfast Bay	991.2308372	1.010261
Kangaroo Island	981.868702	1.000719
Karoonda East Murray	999.3817604	1.018568
Kimba	1037.835826	1.057761
Kingston	988.2700091	1.007243
Light	1056.244704	1.076523
Lower Eyre Peninsula	1033.366189	1.053205
Loxton Waikerie	960.8397234	0.979286
Mallala	1034.815823	1.054683
Marion	973.5054207	0.992195
Mid Murray	965.0141507	0.983541
Mitcham	1041.458803	1.061453
Mount Barker	1036.286437	1.056182
Mount Gambier	930.5433756	0.948408
Mount Remarkable	990.4350978	1.009450
Murray Bridge	932.0791852	0.949974
Naracoorte Lucindale	1004.369538	1.023652
Northern Areas	990.4230851	1.009438
Norwood, Payneham & St Peters	964.4938816	0.983011
Onkaparinga	995.9685131	1.015090
Orroroo Carrieton	1008.015134	1.027368
Peterborough	872.5901497	0.889343
Playford	913.51491	0.931053
Port Adelaide Enfield	921.1271858	0.938811
Port Augusta	917.3554576	0.934967
Port Lincoln	943.5970164	0.961713
Port Pirie	914.110516	0.931660
Prospect	997.2775652	1.016424
Renmark Paringa	943.422715	0.961535
Robe	1013.996017	1.033463
Roxby Downs	1065.932651	1.086397
Salisbury	960.0576162	0.978489
Southern Mallee	995.5140484	1.014626
Streaky Bay	978.6484046	0.997437
Tatiara	1012.933867	1.032381
Tea Tree Gully	1026.322911	1.046027
Tumby Bay	988.6547181	1.007635
Unley	1012.910478	1.032357
Victor Harbor	974.4160325	0.993123
Wakefield	972.6787744	0.991353
Walkerville	1028.544517	1.048291
Wattle Range	968.5380501	0.987133
West Torrens	949.0343584	0.967254
Whyalla	904.5504938	0.921916
Wudinna	1007.87963	1.027229
Yankalilla	989.5225783	1.008520
Yorke Peninsula	968.5541511	0.987149

## APPENDIX VII– Revenue Units of Measure by function - Valuation per capita (incorporating the SEIFA index of Economic Resources)

Data sourced from Valuer General as at January each year (data from 2011, 2012 and 2013 averaged)

Unit of Measure :	Residential	Commercial	Industrial	Rural	Other
Adelaide	209,246	322,009	995	1	85,948
Adelaide Hills	167,294	5,481	638	46,025	6,826
Alexandrina	169,650	6,863	1,408	65,367	21,701
Barossa	115,651	11,112	9,630	49,605	8,968
Barunga West	130,080	5,780	1,654	233,301	8,058
Berri Barmera	63,092	9,543	2,255	18,913	7,404
Burnside	306,432	19,417	181	120	10,758
Campbelltown	171,844	6,437	606	92	9,396
Ceduna	74,703	13,608	547	21,830	11,786
Charles Sturt	177,748	19,503	3,078	19	8,201
Clare & Gilbert Valleys	86,372	11,839	1,734	153,135	8,200
Cleve	69,356	14,003	37	170,129	6,715
Coober Pedy	54,349	17,013	28	-	4,580
Coorong	54,577	5,359	403	150,668	8,550
Copper Coast	161,982	13,426	812	27,836	29,937
Elliston	99,426	10,684	127	177,584	14,215
Flinders Ranges	68,882	6,114	303	49,782	9,217
Franklin Harbour	97,722	8,768	542	77,365	18,938
Gawler	110,641	11,812	720	6,040	10,983
Goyder	52,244	4,484	505	185,072	4,341
Grant	71,373	2,060	2,613	185,527	5,261
Holdfast Bay	256,300	22,629	816	-	12,320
Kangaroo Island	134,825	15,846	1,169	129,543	40,070
Karoonda East Murray	27,239	5,380	2,469	179,764	4,828
Kimba	45,534	13,783	-	172,421	6,315
Kingston	123,750	9,329	633	220,410	30,185
Light	102,492	7,616	6,859	96,100	6,821
Lower Eyre Peninsula	123,495	6,333	328	175,016	25,695
Loxton Waikerie	65,359	6,091	1,656	55,553	5,998
Mallala	93,580	2,206	638	75,456	10,329
Marion	156,190	17,096	1,606	73	6,203
Mid Murray	143,714	5,175	787	66,093	21,268
Mitcham	201,928	10,934	1,227	667	9,102
Mount Barker	122,529	14,486	1,198	35,846	10,887
Mount Gambier	89,127	16,267	2,814	866	7,530
Mount Remarkable	77,525	4,629	205	111,011	9,420
Murray Bridge	77,995	13,147	4,113	23,282	9,690
Naracoorte Lucindale	63,609	9,885	1,451	172,271	5,763
Northern Areas	55,428	7,604	759	207,725	6,191
Norwood, Payneham & St Peters	224,864	43,771	2,352	15	11,876
Onkaparinga	125,290	8,487	1,651	7,171	7,357
Orroroo Carrieton	46,748	3,715	281	132,283	3,826
Peterborough	40,625	5,171	386	32,462	3,085
Playford	78,373	9,421	2,151	11,794	6,082
Port Adelaide Enfield	133,832	25,441	12,719	40	12,011
Port Augusta	79,712	14,928	530	1,492	7,714
Port Lincoln	113,799	21,946	3,493	1,145	11,576
Port Pirie	71,889	9,734	1,376	18,214	6,029
Prospect	201,677	16,451	173	-	4,750
Renmark Paringa	65,768	9,214	1,675	34,706	4,872
Robe	339,016	28,578	1,422	211,298	49,243
Roxby Downs	138,373	19,529	374	-	9,908
Salisbury	104,405	14,646	3,174	722	6,277
Southern Mallee	34,879	7,144	382	167,413	3,591
Streaky Bay	95,085	11,052	444	77,553	24,166
Tatiara	44,153	7,437	2,514	166,663	5,267
Tea Tree Gully	137,611	11,264	932	918	5,534
Tumby Bay	113,037	10,678	199	183,362	16,362
Unley	258,103	28,847	348	3	11,720
Victor Harbor	193,389	16,301	848	23,779	24,197
Wakefield	57,853	8,064	944	173,748	5,957
Walkerville	316,345	11,400	-	-	16,756
Wattle Range	67,041	6,316	7,535	149,740	7,846
West Torrens	166,334	28,265	6,424	58	10,110
Whyalla	77,870	10,940	1,122	493	5,074
Wudinna	35,250	12,366	70	128,848	4,005
Yankalilla	233,409	11,347	668	102,842	39,010
Yorke Peninsula	201,104	9,086	899	200,227	18,072
<b>State</b>	<b>145,019</b>	<b>18,769</b>	<b>2,763</b>	<b>20,253</b>	<b>10,186</b>

## APPENDIX VIII – Units of Measure by function - Expenditure

Data sourced from Councils and the Australian Bureau of Statistics as at 30 June 2012.

<i>Function :</i>	Waste Management	Aged Care Services	Services to Families & Children	Health Inspection	Libraries	Sport and Recreation
<i>Unit of Measure :</i>	Number of Residential Properties	Population Aged > 65 years	Population Aged 0-14 years	Establishments to Inspect	Number of Library Visitors	Population Aged 5-64 years
Adelaide	9,583	2,278	1,203	1,654	-	17,672
Adelaide Hills	12,503	5,340	7,693	988	-	32,509
Alexandrina	11,639	5,631	4,020	259	-	17,276
Barossa	8,061	3,778	4,456	515	-	17,665
Barunga West	1,593	664	399	62	-	1,782
Berri Barmera	4,149	1,912	2,149	177	-	8,537
Burnside	18,456	8,893	6,853	442	-	33,693
Campbelltown	20,216	9,680	8,139	404	-	37,602
Ceduna	1,282	460	803	43	-	3,102
Charles Sturt	47,635	19,782	16,985	1,136	-	83,583
Clare & Gilbert Valleys	3,164	1,604	1,739	255	-	6,743
Cleve	641	349	384	22	-	1,369
Cooper Pedy	1,234	356	307	45	-	1,412
Coorong	1,929	1,070	1,108	124	-	4,370
Copper Coast	7,905	3,200	2,239	157	-	9,277
Elliston	545	137	204	15	-	927
Flinders Ranges	742	339	336	57	-	1,342
Franklin Harbour	605	242	248	18	-	1,016
Gawler	8,362	3,762	3,773	466	-	16,127
Goyder	1,641	907	763	60	-	3,105
Grant	2,293	1,035	1,673	134	-	6,644
Holdfast Bay	17,243	7,716	4,442	472	-	26,949
Kangaroo Island	2,359	772	817	165	-	3,589
Karoonda East Murray	419	199	202	12	-	852
Kimba	334	219	204	33	-	824
Kingston	1,176	521	383	35	-	1,786
Light	4,312	1,529	3,151	239	-	11,644
Lower Eyre Peninsula	1,813	672	1,067	35	-	4,028
Loxton Waikerie	4,397	2,184	2,224	203	-	9,020
Mallala	2,648	892	1,722	90	-	7,144
Marion	36,956	14,154	13,802	688	-	66,886
Mid Murray	5,202	1,734	1,298	205	-	6,372
Mitcham	25,214	11,427	11,209	731	-	50,549
Mount Barker	10,140	3,701	6,628	754	-	24,983
Mount Gambier	11,390	4,023	5,397	322	-	20,214
Mount Remarkable	1,380	648	490	111	-	2,171
Murray Bridge	7,469	3,380	3,747	196	-	15,258
Naracoorte Lucindale	2,758	1,312	1,664	212	-	6,577
Northern Areas	1,723	946	870	52	-	3,527
Norwood, Payneham & St Peters	16,498	6,459	4,996	621	-	28,378
Onkaparinga	64,421	22,353	31,360	1,564	-	131,255
Orroroo Carrieton	388	215	149	32	-	649
Peterborough	969	431	327	58	-	1,364
Playford	30,342	9,482	18,463	596	-	65,495
Port Adelaide Enfield	49,738	17,094	19,490	1,170	-	91,345
Port Augusta	6,242	1,979	2,955	197	-	11,663
Port Lincoln	6,329	2,297	2,971	197	-	11,377
Port Pirie	7,684	3,308	3,596	203	-	13,604
Prospect	8,658	2,636	3,466	186	-	17,139
Renmark Paringa	3,408	1,562	1,806	147	-	7,601
Robe	1,281	277	233	24	-	1,128
Roxby Downs	1,806	36	1,020	31	-	4,179
Salisbury	51,403	16,012	25,968	1,331	-	108,080
Southern Mallee	673	390	416	26	-	1,616
Streaky Bay	969	350	476	48	-	1,701
Tatiara	1,941	1,079	1,451	176	-	5,476
Tea Tree Gully	37,660	14,587	17,595	841	-	79,590
Tumby Bay	1,087	643	505	34	-	1,905
Unley	16,274	6,262	6,069	505	-	30,358
Victor Harbor	7,570	4,851	1,877	212	-	8,744
Wakefield	2,357	1,214	1,386	117	-	5,186
Walkerville	3,140	1,556	1,075	75	-	5,536
Wattle Range	4,397	2,044	2,381	84	-	9,510
West Torrens	25,462	10,057	8,100	709	-	43,589
Whyalla	10,565	3,347	4,567	189	-	18,184
Wudinna	371	207	317	20	-	996
Yankalilla	3,176	1,126	633	80	-	3,262
Yorke Peninsula	9,195	3,168	1,756	148	-	7,894
<b>Total</b>	<b>675,116</b>	<b>262,473</b>	<b>290,198</b>	<b>21,209</b>	<b>-</b>	<b>1,284,932</b>

<i>Function :</i>	Sealed Built Up Roads	Sealed Non Built Up Roads	Sealed Built-Up Roads (Footpaths, kerbing, street lighting etc)	Unsealed Built Up Roads	Unsealed Non Built Up Roads	Unformed Roads
<i>Unit of Measure :</i>	Sealed Built Up Kms	Sealed Non Built Up Kms	Sealed Built Up Kms	Unsealed Built Up Kms	Unsealed Non Built Up Kms	Unformed Kms
Adelaide	123	-	123	-	-	-
Adelaide Hills	205	402	205	6	464	9
Alexandrina	247	299	247	16	754	24
Barossa	144	197	144	10	547	71
Barunga West	34	38	34	7	748	105
Berri Baramba	70	191	70	14	115	38
Burnside	229	-	229	-	5	0
Campbelltown	254	-	254	-	0	-
Ceduna	42	35	42	4	1,377	257
Charles Sturt	570	-	570	1	-	0
Clare & Gilbert Valleys	76	144	76	13	1,406	187
Cleve	21	54	21	8	1,197	116
Cooper Pedy	25	3	25	28	101	263
Coorong	54	295	54	14	1,528	1
Copper Coast	174	100	174	42	501	131
Elliston	22	22	22	8	960	136
Flinders Ranges	22	6	22	10	888	336
Franklin Harbour	18	69	18	-	811	37
Gawler	134	29	134	1	17	2
Goyder	67	91	67	33	2,831	226
Grant	27	443	27	2	793	313
Holdfast Bay	171	-	171	-	-	-
Kangaroo Island	52	203	52	56	1,000	51
Karoonda East Murray	10	101	10	5	1,135	48
Kimba	12	78	12	10	980	636
Kingston	43	83	43	4	554	60
Light	77	94	77	23	1,207	57
Lower Eyre Peninsula	44	97	44	17	1,100	83
Loxton Waikerie	68	347	68	16	1,686	200
Mallala	75	65	75	44	637	136
Marion	472	-	472	0	-	-
Mid Murray	74	274	74	27	2,027	984
Mitcham	380	16	380	0	2	1
Mount Barker	176	168	176	17	380	30
Mount Gambier	198	16	198	0	3	1
Mount Remarkable	26	70	26	15	1,521	432
Murray Bridge	146	273	146	7	527	21
Naracoorte Lucindale	80	407	80	3	1,083	41
Northern Areas	62	73	62	31	1,756	274
Norwood, Payneham & St Peters	160	-	160	-	-	-
Onkaparinga	1,017	248	1,017	6	185	3
Orroroo Carrieton	18	35	18	7	871	696
Peterborough	31	8	31	7	799	385
Playford	464	245	464	1	94	6
Port Adelaide Enfield	667	-	667	4	-	-
Port Augusta	140	52	140	27	98	92
Port Lincoln	143	7	143	3	3	2
Port Pirie	182	148	182	11	622	212
Prospect	87	-	87	-	-	-
Renmark Paringa	50	257	50	5	133	51
Robe	29	13	29	2	336	56
Roxby Downs	29	6	29	-	4	-
Salisbury	765	23	765	3	3	-
Southern Mallee	25	90	25	7	1,070	144
Streaky Bay	44	41	44	10	1,418	219
Tatiara	82	434	82	11	1,180	225
Tea Tree Gully	560	17	560	2	8	6
Tumby Bay	31	21	31	4	964	90
Unley	164	-	164	-	-	-
Victor Harbor	135	112	135	10	124	2
Wakefield	72	133	72	9	2,383	85
Walkerville	35	-	35	-	-	-
Wattle Range	143	371	143	34	1,350	559
West Torrens	289	-	289	0	-	-
Whyalla	201	17	201	5	54	3
Wudinna	17	64	17	8	1,266	351
Yankalilla	53	76	53	3	363	48
Yorke Peninsula	173	296	173	53	3,132	236
<b>Total</b>	<b>10,533</b>	<b>7,494</b>	<b>10,533</b>	<b>725</b>	<b>47,101</b>	<b>8,779</b>

<i>Function :</i>	Stormwater Drainage - Maintenance	Community Support	Jetties and Wharves	Public Order and Safety	Planning & Building Control	Bridges
<i>Unit of Measure :</i>	No. of Urban, Industrial & Commercial Properties (excluding exempt)	Population x CRI (SEIFA Index of Advantage/Disadvantage)	Number of Jetties and Wharves	Total Number of Properties	Number of New Developments & Additions	Number of Bridges
Adelaide	18,800	19,239	-	23,104	1,110	11
Adelaide Hills	13,133	35,913	-	18,468	1,164	72
Alexandrina	12,186	24,335	4	18,958	1,251	35
Barossa	8,751	22,372	-	12,864	884	63
Barunga West	1,654	2,657	-	2,946	101	-
Berri Bamera	4,597	11,982	4	6,723	204	-
Burnside	19,498	39,122	-	21,891	1,385	6
Campbelltown	20,858	48,531	-	23,429	1,229	58
Ceduna	1,459	3,991	3	2,640	123	-
Charles Sturt	51,021	109,625	-	56,870	3,188	5
Clare & Gilbert Valleys	3,545	8,844	-	7,365	272	30
Cleve	728	1,810	1	1,701	57	-
Cooper Pedy	1,355	2,086	-	1,979	68	-
Coorong	2,104	5,994	4	4,879	175	-
Copper Coast	8,368	14,115	1	12,368	667	-
Elliston	602	1,116	1	1,570	28	-
Flinders Ranges	797	1,827	-	2,237	44	-
Franklin Harbour	643	1,372	-	1,331	118	2
Gawler	8,875	21,652	-	10,661	700	10
Goyder	1,802	4,437	-	5,012	131	10
Grant	2,392	8,028	-	5,732	265	1
Holdfast Bay	18,632	33,952	2	21,839	952	4
Kangaroo Island	2,561	4,674	1	5,961	179	25
Karoonda East Murray	452	1,128	-	1,482	28	-
Kimba	389	1,069	-	1,074	33	-
Kingston	1,272	2,485	1	2,845	115	-
Light	4,681	13,611	-	7,890	532	21
Lower Eyre Peninsula	1,913	4,905	3	4,269	307	2
Loxton Waikerie	4,795	12,386	1	8,806	334	-
Mallala	2,727	8,662	-	4,924	336	3
Marion	38,706	84,604	-	42,949	1,764	3
Mid Murray	5,392	8,980	11	11,182	398	12
Mitcham	26,481	59,432	-	29,640	1,622	21
Mount Barker	10,993	29,416	-	15,547	1,265	173
Mount Gambier	12,547	27,793	-	14,463	464	1
Mount Remarkable	1,459	2,973	1	3,602	114	9
Murray Bridge	8,040	21,695	6	11,969	442	6
Naracoorte Lucindale	3,094	8,478	-	6,734	267	24
Northern Areas	1,890	4,791	-	4,652	244	18
Norwood, Payneham & St Peters	18,789	34,540	-	20,851	1,067	-
Onkaparinga	67,657	164,303	1	78,459	3,524	49
Orroroo Carrieton	432	910	-	1,658	27	224
Peterborough	1,049	2,221	-	1,939	27	9
Playford	31,514	90,717	-	38,781	2,881	12
Port Adelaide Enfield	54,349	120,843	-	62,732	3,233	1
Port Augusta	6,741	15,857	3	8,093	307	7
Port Lincoln	7,138	15,360	2	8,736	457	1
Port Pirie	8,209	19,743	5	11,173	368	10
Prospect	9,264	19,640	-	10,159	300	-
Renmark Paringa	3,741	10,385	1	5,722	167	5
Robe	1,392	1,454	1	2,669	118	1
Rosby Downs	1,926	4,101	-	2,197	109	-
Salisbury	54,045	140,398	-	59,317	3,910	22
Southern Mallee	769	2,147	-	2,021	15	-
Streaky Bay	1,053	2,230	1	2,666	101	-
Tatiara	2,220	6,974	-	5,103	137	16
Tea Tree Gully	39,122	95,360	-	42,870	2,474	5
Tumby Bay	1,162	2,764	2	2,493	60	4
Unley	17,792	34,892	-	19,577	473	8
Victor Harbor	8,048	14,555	-	10,960	657	26
Wakefield	2,556	7,188	-	5,889	209	24
Walkerville	3,266	6,625	-	3,669	278	-
Wattle Range	4,816	12,896	-	9,955	310	1
West Torrens	27,831	55,853	-	31,456	1,215	18
Whyalla	11,211	24,901	3	12,527	397	-
Wudinna	441	1,299	-	1,345	47	-
Yankalilla	3,327	4,678	2	5,781	315	35
Yorke Peninsula	9,586	12,079	12	15,086	636	-
<b>Total</b>	<b>728,640</b>	<b>1,644,993</b>	<b>77</b>	<b>926,438</b>	<b>46,379</b>	<b>1,103</b>

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

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

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

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

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

- *July 1976* - Interim SA Grants Commission established to recommend allocation of \$11.925 million in South Australia for 1976-77.
- *South Australian Local Government Grants Commission Act, 1976* - Enacted 21 October 1976 and proclaimed 19 May 1977. The Commission's main function was to recommend on the distribution of grants.
- *May 1977* - Special report by Commonwealth Grants Commission concerned with the interstate distribution of funds, which established an apportionment of funds between the States and increased the share of funds to South Australia to 8.6010 per cent from 1 July 1977.

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

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

- *May 1984* - Commonwealth Government set up National Inquiry into Local Government Finance, chaired by Professor Peter Self.
- *May 1985* - Commonwealth Local Government (Personal Income Tax Sharing) Act amended to provide for an increase in funding for 1985-86 based on the 1984-85 allocation adjusted for any changes in the Consumer Price Index in the year ended March 1986, plus a 2 per cent real increase.
- *October 1985* - Self Inquiry report presented to Commonwealth Government.
- *Local Government (Financial Assistance) Act, 1986* - Came into operation on 1 July 1986 and replaced the Local Government (Personal Income Tax Sharing) Act, 1976.

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

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

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

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

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

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

- *April 1998* – The South Australian Local Government Grants Commission's comprehensive methodology review of the general-purpose grant calculation was completed. The revised methodology was used, albeit constrained to minus 10% and plus 20% change, for the first time for the 1998-99 allocations.
- *April 1999* – refinement of the South Australian methodology, as it relates to the differences between councils in the cost associated with the reconstruction and maintenance of roads, was completed. The newly calculated cost relativity indices (previously known as disability factors) were used in the calculation of the South Australian grant allocations for 1999-2000.
- *May 2000* – refinement of the South Australian methodology, in relation to road lengths. The Commission with the assistance of a consultant mapped all councils' roads into a Geographical Information System format. The newly calculated road lengths were used in the calculation of the South Australian grant allocations for 2001-2002.
- *June 2000* – the Commonwealth Minister announced the review into the Local Government (Financial Assistance) Act 1995. The Commonwealth Grants Commission was commissioned to undertake the review. The final report was completed in June 2001.
- *June 2001* – the Commonwealth Minister received the report from the Commonwealth Grants Commission into the operations of the Commonwealth Local Government (Financial Assistance) Act 1995

- *June 2002* – the Commonwealth Minister announced the ‘*Inquiry into Local Government and Cost Shifting*’. The inquiry was conducted by the House of Representatives Standing Committee on Economics, Finance and Public Administration and was requested to inquire into, and report upon, cost shifting onto Local Government by State Governments and the financial position of Local Government.

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

- *February 2003* – the House of Representatives Standing Committee on Economics, Finance and Public Administration, as part of its “*Inquiry into Local Government and Cost Shifting*’ issued a discussion paper entitled ‘At the Crossroads.’
- *October 2003* - the House of Representatives Standing Committee on Economics, Finance and Public Administration, “Rates and Taxes: A Fair Share for Responsible Local Government, Final Report.
- *March 2004* – the Prime Minister announced \$26.25 million (over three years) in financial assistance to Local Government in South Australia to supplement the Identified Local Road Grants. This was made up of \$4.25 million in 2004-05, \$9 million in 2005-06 and \$13 million in 2006-07.
- *June 2005* – Government Response to the Report of the House of Representatives Standing Committee on Economics, Finance and Public Administration, *Rates and Taxes*.
- *August 2005* - *Rising to the Challenge, Towards: Financially Sustainable Local Government in South Australia – final report. Overview and supporting analysis.* Commissioned by the SA Local Government Association with the support of Local Government.
- *September 2005* – Commonwealth Grants Commission asked by the Commonwealth Government to review the interstate distribution of the Identified Local Road Grants
- *June 2006* – Commonwealth Grants Commission presented its report to the Commonwealth Government into the interstate distribution of the Identified Local Road Grants.
- *November 2006* – Issues Paper “*Review of the Interstate Distribution of Local Road Grants*” circulated by the Commonwealth Grants Commission.
- *January 2006* – Submission by South Australia to the Commonwealth Grants Commission regarding the review of the interstate distribution of Local Road Grants.
- *June 2006* - Commonwealth Grants Commission report to the Commonwealth Government completed.
- *June 2007* – Commonwealth Government’s response to the Commonwealth Grants Commission Report.
- *June 2007* – announcement of the continuation of the Roads to Recovery 2 program for the next four years (2005-06 to 2008-09). South Australia’s share is worth over \$57 million indexed in line, to reflect the change in the Financial Assistance Grants.
- *July 2007* – The Commission’s methodology review of the general-purpose grant calculation (inclusion of depreciation and additional expenditure functions) was completed. The revised methodology was used, albeit constrained to 0% no change and plus 10% change, for the first time for the 2007-08 allocations.
- *September 2007* – The Executive Officer and Staff of the Commission visited the Victorian Grants Commission to assess Victoria’s “Balanced Budget” methodology against the “Direct Assessment” methodology used in South Australia. Outcomes of the assessment demonstrated clear similarities between the two methodologies.
- *March 2008* – the Commission undertook a project in conjunction with the Local Government to provide grant support (approximately \$8,000) to councils identified as needing assistance with the development of their Asset Management Plans.
- *June 2008* – The Commission’s methodological review of the stormwater maintenance expenditure function was completed. The review re-assessed the cost driver for stormwater



maintenance and the factors, which influence the costs associated with the maintenance of stormwater. The revised methodology was used for the 2008-09 allocations. Changes in grants were constrained to minus 1% and positive 10% as a result of the changes.

- *March 2009* – announcement of the continuation of the third Roads to Recovery program for the next 5 years (2009-10 to 2013-14). South Australia’s share over life of the program will exceed \$145 million and \$21 million will be distributed by the Grants Commission under the Special Local Roads Program.
- *June 2009* – approximately one quarter of the 2009-10 Financial Assistance Grants were brought forward by the Commonwealth and paid in 2008-09. Allocation of the early payment of the 2009-10 grants was based on the 2008-09 distribution.
- *May 2010* – the Commission completed an investigation into the effects of decreasing property valuations on councils affected by drought and reductions in the availability of water for irrigation. The Commission found that while councils in the Riverland region were affected by drought, no specific services had been provided by councils to address the issue. The Commission concluded that its current methodology accounts for decreased capacity to raise revenue a result of decreases in property values.
- *June 2010* – approximately one quarter of the 2010-11 Financial Assistance Grants were brought forward by the Commonwealth and paid in 2009-10. Allocation of the early payment of the 2010-11 grants was based on the 2009-10 distribution.
- *May 2011* – the Commission’s investigation into the effects of growth within local government was completed. Commencing in 2009-10, the investigation looked at the effects of the State Government’s *30 Year Plan for Greater Adelaide* and its associated regional plans on population growth within local governing authorities. The investigations included consulting with councils to establish the costs associated with population increases, residential development, the need for increased infrastructure and services and the opportunities to raise additional revenue from expanding communities. The investigation also assessed the Commission’s current methodology to recognise growth within local government.
- *May 2011* – The Commission completed a review of the effects of including depreciation into its methodology for 2007-08 and associated withdrawal of capital expenditure from its methodology.
- *May 2011* – the Commission updated the unit of measure for the Sport and Recreation expenditure function calculation by increasing the population range from 5-49 years of age to 5-64 years of age.
- *May 2011* – The Commission completed a review on work undertaken in 2002-03 to assess the costs associated with the provision of airports and airstrips by local government. Investigations confirmed earlier work that the local government sector, on average, makes a profit from the provision of airstrips and airports.
- *May 2011* – The Commission reviewed the incorporation of Cost Relativity Indices into the expenditure function calculations for roads by revisiting its work from 2002-03. The Commission was able to confirm that there continues to be a lack of clear data available across the sector to measure traffic volumes. Investigations also found that the classification of roads can vary significantly across councils based on information obtained from a survey of council’s Asset Management Plans.
- *May 2011* – The Commission withdrew all calculations (on both the revenue and expenditure sides of the methodology) relating to libraries for a period of one year, based on inconsistencies found with libraries data.
- *May 2011* – The Commonwealth announced the extension of the Supplementary Local Road Funding for a further three years from 2011-12 to 2013-14, providing an additional \$50.9 million to South Australian councils.
- *June 2011* - approximately one quarter of the 2011-12 Financial Assistance Grants were brought forward by the Commonwealth and paid in 2010-11. Allocation of the early payment of the 2011-12 grants was based on the 2010-11 distribution.
- *May 2012* – For the 2<sup>nd</sup> year, the Commission withdrew all calculations (on both the revenue and expenditure sides of the methodology) relating to libraries due to ongoing concerns over inconsistencies found with libraries data.

- *May 2012* – as part of the 2012-13 Federal Budget, the Australian Government announced the continuation of the Roads to Recovery Program, providing \$1.75 billion over five years from 2014-15 to 2018-19 (\$350.0 million per annum).
- *June 2012* - approximately two quarters of the 2012-13 Financial Assistance Grants were brought forward by the Commonwealth and paid in 2011-12. Allocation of the early payment of the 2012-13 grants was based on the 2011-12 distribution.
- *August 2012* – the Commission commenced work on its first full review of its methodology since 1996-97. Terms of reference were established and the Commission went out to open tender to appoint a suitable consultant. KPMG were appointed to undertake the review and the review commenced in November 2012.
- *November 2012* – Issues Paper “*Review into Improving the impact of Financial Assistance Grants on Local Government Financial Sustainability*” circulated by the Commonwealth Grants Commission.
- *February 2013* – the Commission presented its submission to the Commonwealth Grants Commission on the review of Financial Assistance Grants.
- *June 2013* - approximately two quarters of the 2013-14 Financial Assistance Grants were brought forward by the Commonwealth and paid in 2012-13. Allocation of the early payment of the 2013-14 grants was based on the 2012-13 distribution.

- APPENDIX X - 2012 General Information, Supplementary Return & Financial Statements

The South Australian Local Government Grants Commission would like to extend its sincere thanks to the following councils who submitted their 2011-12 General Information, Supplementary Returns and their Audited Financial Statements by the due date of 30 November 2012 and thereby facilitated the timely determination of grants.

- |                              |                        |
|------------------------------|------------------------|
| 1. Adelaide City             | 20. Mitcham            |
| 2. Alexandrina               | 21. Mount Gambier      |
| 3. Barunga West              | 22. Murray Bridge      |
| 4. Burnside                  | 23. Orroroo Carrieton  |
| 5. Charles Sturt             | 24. Port Augusta       |
| 6. Clare and Gilbert Valleys | 25. Port Lincoln       |
| 7. Coorong                   | 26. Port Pirie         |
| 8. Copper Coast              | 27. Tatiara            |
| 9. Flinders Ranges           | 28. Tumby Bay          |
| 10. Franklin Harbour         | 29. Unley              |
| 11. Goyder                   | 30. Victor Harbor      |
| 12. Grant                    | 31. Wakefield Regional |
| 13. Kangaroo Island          | 32. Walkerville        |
| 14. Kingston                 | 33. Wattle Range       |
| 15. Light Regional           | 34. West Torrens       |
| 16. Loxton Waikerie          | 35. Whyalla            |
| 17. Mallala                  | 36. Wudinna            |
| 18. Marion                   | 37. Yankalilla         |
| 19. Mid Murray               | 38. Yorke Peninsula    |

**APPENDIX XI - Financial Statements**

**SOUTH AUSTRALIAN LOCAL GOVERNMENT GRANTS COMMISSION**

# **FINANCIAL STATEMENTS**

## **For the year ended**

### **30 June 2013**

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2013

	Note	2013 \$' 000	2012 \$' 000
<b>Expenses</b>			
Employee benefits expenses	4	360	235
Supplies and services	5	324	152
Grants and subsidies	6	116	-
<b>Total expenses</b>		<b>800</b>	<b>387</b>
<b>Income</b>			
Interest revenue	8	54	86
Sale of goods	9	6	7
Grants refund		-	116
Other income	10	-	5
<b>Total income</b>		<b>60</b>	<b>214</b>
<b>Net cost of providing services</b>		<b>740</b>	<b>173</b>
<b>Revenues from SA Government</b>			
Revenues from SA Government	11	485	476
<b>Net result</b>		<b>(255)</b>	<b>303</b>
<b>Total comprehensive result</b>		<b>(255)</b>	<b>303</b>

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Note	2013 \$' 000	2012 \$' 000
<b>Current Assets</b>			
Cash	12	807	983
Receivables	13	2	3
<b>Total current assets</b>		<b>809</b>	<b>986</b>
<b>Total assets</b>			
		<b>809</b>	<b>986</b>
<b>Current liabilities</b>			
Payables	14	73	13
Employee benefits	15	43	33
<b>Total current liabilities</b>		<b>116</b>	<b>46</b>
<b>Non-current liabilities</b>			
Payables	14	7	6
Employee benefits	15	70	63
<b>Total non-current liabilities</b>		<b>77</b>	<b>69</b>
<b>Total liabilities</b>		<b>193</b>	<b>115</b>
<b>Net assets</b>		<b>616</b>	<b>871</b>
<b>Equity</b>			
Retained earnings		616	871
<b>Total equity</b>		<b>616</b>	<b>871</b>

**The total equity is attributable to the SA Government as owner.**

Unrecognised contractual commitments	16
Contingent assets and liabilities	17

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

---

**STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2013

	Retained Earnings \$' 000	Total Equity \$' 000
<b>Balance at 30 June 2011</b>	<b>568</b>	<b>568</b>
<b>Total comprehensive result for 2011-12</b>	<b>303</b>	<b>303</b>
<b>Balance at 30 June 2012</b>	<b>871</b>	<b>871</b>
<b>Total comprehensive result for 2012-13</b>	<b>(255)</b>	<b>(255)</b>
<b>Balance at 30 June 2013</b>	<b>616</b>	<b>616</b>

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

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

## STATEMENT OF CASH FLOWS

For the year ended 30 June 2013

	Note	2013 \$' 000	2012 \$' 000
		Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Employee benefit payments		(342)	(220)
Payments for supplies and services		(264)	(152)
Payments of grants and subsidies		(116)	-
<b>Cash used in operations</b>		<b>(722)</b>	<b>(372)</b>
<b>Cash inflows</b>			
Interest received		55	90
Sale of goods		6	7
Advances and grants		-	116
Other receipts		-	5
<b>Cash generated from operations</b>		<b>61</b>	<b>218</b>
<b>Cash flows from SA Government</b>			
Receipts from SA Government		485	476
<b>Cash generated from SA Government</b>		<b>485</b>	<b>476</b>
<b>Net cash (used in) / provided by operating activities</b>	18	<b>(176)</b>	<b>322</b>
<b>Net (decrease) / increase in cash</b>		<b>(176)</b>	<b>322</b>
Cash at 1 July		983	661
<b>Cash at 30 June</b>	12	<b>807</b>	<b>983</b>

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



# NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS

Financial Year Ended 30 June 2013

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## 1 Objectives of the South Australian Local Government Grants Commission

The South Australian Local Government Grants Commission (the Commission) is responsible for making recommendations to the Minister for State/Local Government Relations on the distribution of untied Commonwealth financial assistance grants to local governing authorities in South Australia in accordance with State and Federal legislative requirements.

## 2 Summary of significant accounting policies

### a) Statement of compliance

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards, and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provision of the *Public Finance and Audit Act 1987*.

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

Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Commission for the reporting period ending 30 June 2013. (Refer to Note 3).

### b) Basis of preparation

The preparation of the financial statements requires:

- The use of certain accounting estimates where management is required to exercise its judgement in the process of applying the Commission's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes.
- Accounting policies to be selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.
- Compliance with accounting policy statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, which have been included in these financial statements:
  - a) Revenues, expenses, financial assets and liabilities where the counterparty/ transaction is with an entity within the SA Government as at reporting date, classified according to their nature.
  - b) Board member and remuneration information where a board member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The Commission's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets that were valued in accordance with the applicable valuation policy.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared on a twelve month operating cycle and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2013 and the comparative information presented.

**c) Reporting Entity**

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

The Commission distributes Commonwealth financial assistance grants to local governing authorities in South Australia in accordance with State and Federal legislative requirements. The assistance grants are an administered function of the Commission. All revenues and expenditures from the receipt and disbursement of grant funds, and any year end cash balances are reflected separately in Note 20.

**d) Comparative Information**

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

The restated comparative amounts do not replace the original financial statements for the preceding period.

**e) Rounding**

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

**f) Taxation**

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

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

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

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

There are no cash flows relating to GST transactions with the ATO in the Statement of Cash Flows.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the ATO. If GST is not payable to, or recoverable from the ATO, the commitments and contingencies are disclosed on a gross basis.

**g) Events after the reporting period**

As a result of restructuring of administrative arrangements outlined in the Government Gazette on 1 August 2013, the Local Government Grants Commission administrative responsibility would transfer from the Department of the Premier and Cabinet to the Department of Primary Industries and Regions SA.

**h) Income**

Income is recognised to the extent that it is probable that the flow of economic benefits to the Commission will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

**Sale of goods**

Revenue from the sale of goods are derived from the provision of goods to other SA Government agencies and to the public. This revenue is recognised upon delivery of goods to the clients or by reference to the stage of completion.

**Interest**

Interest is recognised on a time proportionate basis as it accrues, taking into account the effective yield on the financial asset.

**Revenues from SA Government**

Appropriations for program funding are recognised as revenues when the Commission obtains control over the funding. Control over appropriations is normally obtained upon receipt.

Where money has been appropriated in the form of a loan, the Commission has recorded a loan

Where money has been appropriated in the form of an equity contribution, the Treasurer has acquired a financial interest in the net assets of the Commission and the appropriation is recorded as contributed equity.

**Other Income**

Other income consists of insurance recoveries, registration fees and other miscellaneous revenue.

**i) Expenses**

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Commission will occur and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

**Employee benefits expenses**

Employee benefit expenses includes all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

**Superannuation**

The amount charged to the Statement of Comprehensive Income represents the contributions made by the Commission to the superannuation plan in respect of services of current staff. The Department of Treasury and Finance centrally recognises the superannuation liability in the whole of government financial statements.

**Grants and subsidies**

For grants and subsidies payable, the grants and subsidies will be recognised as a liability and expense when the entity has a present obligation to pay the grants and subsidies and the expense recognition criteria are met.

All contributions paid by the Commission have been contributions with unconditional stipulations attached.

**j) Current and non-current classification**

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are sold, consumed or realised as part of the 12 month operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

**k) Assets**

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

**Cash**

Cash in the Statement of Financial Position includes cash at bank and on hand.

For the purpose of the Statement of Cash Flows, cash consists of cash as defined above.

Cash is measured at nominal value.

### **Receivables**

Receivables include amounts receivable from goods and services, prepayments and other accruals.

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are generally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Commission will not be able to collect the debt. Bad debts are written off when identified.

## **l) Liabilities**

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

### **Payables**

Payables include creditors, accrued expenses and employment on-costs.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the Commission.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Employee benefit on-costs include payroll tax, workcover levies and superannuation contributions in respect to outstanding liabilities for salaries and wages, long service leave and annual leave.

The Commission makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to contributions due but not yet paid to the superannuation scheme managers.

### **Employee benefits**

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

#### Wages, salaries, annual leave and sick leave

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

The annual leave liability is expected to be payable within twelve months and is measured at the undiscounted amount expected to be paid. In the unusual event where salaries and wages and annual leave are payable later than 12 months, the liability will be measured at present value.

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

#### Skills and experience retention leave

A liability for skills and experience retention leave is calculated by determining the amount unpaid at the reporting date at remuneration rates current at reporting date. The liability is expected to be payable within twelve months and is measured at the undiscounted amount expected to be paid. In the unusual event where skills and experience retention leave is payable later than twelve months, the liability will be measured at present value.

### Long service leave

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

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA government entities across government. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

### **m) Unrecognised contractual commitments and contingent assets and liabilities**

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

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

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the ATO. If GST is not payable to, or recoverable from the ATO, the commitments and contingencies are disclosed on a gross basis.

## **3 New and revised accounting standards and policies**

### **Issued or amended but not yet effective**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Commission for the period ending 30 June 2013. The Commission has assessed the impact of the new and amended standards and Interpretations and considers there will be no impact on the accounting policies or the financial statements of the Commission.

<b>4 Employee benefits expenses</b>		
	2013	2012
	\$' 000	\$' 000
Salaries and wages	215	135
Annual leave	28	15
Long service leave	13	10
Skills and experience retention leave	2	-
Employment on-costs - other	27	18
Employment on-costs - payroll tax	16	11
Commission fees fees	46	46
Other employee expenses	13	-
<b>Total employee benefits expenses</b>	<b>360</b>	<b>235</b>

<b>5 Supplies and services</b>		
	2013	2012
	\$' 000	\$' 000
<b>Supplies and services provided by entities within SA Government</b>		
Administrative and operating costs	105	79
Computing and communications costs	27	-
<b>Total supplies and services - SA Government entities</b>	<b>132</b>	<b>79</b>
<b>Supplies and services provided by entities external to the SA Government</b>		
Professional and technical services	173	31
Travel and accommodation	13	13
Administrative and operating costs	6	8
National conference	-	18
Staff development and safety	-	3
<b>Total supplies and services - non SA Government entities</b>	<b>192</b>	<b>73</b>
<b>Total supplies and services</b>	<b>324</b>	<b>152</b>

The number and dollar amount of consultancies paid/payable (included in supplies and services expense) fell within the following bands:	2013		2012	
	Number	\$' 000	Number	\$' 000
Below \$10,000	-	-	1	2
Between \$10,000 and \$50,000	-	-	-	-
Above \$50,000	-	-	-	-
<b>Total paid / payable to the consultants engaged</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>2</b>

<b>6 Grants and subsidies</b>		
	2013	2012
	\$' 000	\$' 000
<b>Grants and subsidies paid/payable to entities external to the SA Government</b>		
Refunded grant applied to Local Government Financial Assistance Grants (See Note 20)	116	-
<b>Total grants and subsidies - non SA Government entities</b>	<b>116</b>	<b>-</b>
<b>Total grants and subsidies</b>	<b>116</b>	<b>-</b>

<b>7 Auditor's remuneration</b>		
	2013	2012
	\$' 000	\$' 000
Audit fees payable to the Auditor-General's Department	9	9
<b>Total audit fees</b>	<b>9</b>	<b>9</b>

**Other services**  
No other services were provided by the Auditor-General's Department.

<b>8 Interest revenue</b>		
	2013	2012
	\$' 000	\$' 000
Interest from Department of Treasury and Finance	54	86
<b>Total interest revenue</b>	<b>54</b>	<b>86</b>



<b>9 Sale of goods</b>		
	2013	2012
	\$' 000	\$' 000
<b>Sale of goods received/receivable from entities external to SA Government</b>		
Sale of database reports	6	7
<b>Total sale of goods - non SA Government entities</b>	<b>6</b>	<b>7</b>
<b>Total sale of goods</b>	<b>6</b>	<b>7</b>
<b>10 Other income</b>		
	2013	2012
	\$' 000	\$' 000
<b>Other income received/receivable from entities external to SA Government</b>		
Recoveries	-	5
<b>Total other income</b>	<b>-</b>	<b>5</b>
<b>Total other income</b>	<b>-</b>	<b>5</b>
<b>11 Revenues from SA Government</b>		
	2013	2012
	\$' 000	\$' 000
<b>Revenues from SA Government</b>		
Appropriations from Consolidated Account pursuant to the Appropriation Act	485	476
<b>Total revenues from SA Government</b>	<b>485</b>	<b>476</b>
<b>12 Cash</b>		
	2013	2012
	\$' 000	\$' 000
Deposits with the Treasurer	807	983
<b>Total cash</b>	<b>807</b>	<b>983</b>
<b>13 Receivables</b>		
	2013	2012
	\$' 000	\$' 000
<b>Current</b>		
Accrued interest	2	3
<b>Total current receivables</b>	<b>2</b>	<b>3</b>
<b>Receivables from SA Government entities</b>		
Accrued interest	2	3
<b>Total receivables from SA Government entities</b>	<b>2</b>	<b>3</b>
<b>Total receivables</b>	<b>2</b>	<b>3</b>
<b>Bad and doubtful debts</b>		
There were no bad debts or doubtful debts recognised during the year (2012: Nil).		
<b>14 Payables</b>		
	2013	2012
	\$' 000	\$' 000
<b>Current</b>		
Creditors and accruals	68	9
Employment on-costs	5	4
<b>Total current payables</b>	<b>73</b>	<b>13</b>
<b>Non-current</b>		
Employment on-costs	7	6
<b>Total non-current payables</b>	<b>7</b>	<b>6</b>
<b>Total payables</b>	<b>80</b>	<b>19</b>

**Government / Non Government Payables****Payables to SA Government entities**

Creditors and accruals	20	10
Employment on-costs	6	9
<b>Total payables to other SA Government entities</b>	<b>26</b>	<b>19</b>

**Payables to non SA Government entities**

Creditors and accruals	48	-
Employment on-costs	6	-
<b>Total payables to Non-SA Government entities</b>	<b>54</b>	<b>-</b>

<b>Total payables</b>	<b>80</b>	<b>19</b>
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**15 Employee benefits**

	2013	2012
	\$' 000	\$' 000
<b>Current</b>		
Annual leave	23	18
Long service leave	18	15
Skills and experience retention leave	2	-
<b>Total current employee benefits</b>	<b>43</b>	<b>33</b>
<b>Non-current</b>		
Long service leave	70	63
<b>Total non-current employee benefits</b>	<b>70</b>	<b>63</b>
<b>Total employee benefits</b>	<b>113</b>	<b>96</b>

AASB 119 contains the calculation methodology for long service leave liability. This year, the actuarial assessment performed by the Department of Treasury and Finance has provided a set level of liability rather than a benchmark for the measurement of long service leave. The effect of the change relating to the current period is immaterial.

AASB 119 requires the use of the yield on long term Commonwealth bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has increased in 2013 to 3.75% (3.0%).

The salary inflation rate remained unchanged at 4.0%.

The Public Sector Skills and Experience Retention leave entitlement applies as from 1 July 2012 to public sector employees who have completed 15 or more years of effective service who are employed under the *Public Sector Act 2009*.

The skills and experience retention leave entitlement provides eligible employees up to two working days transitional entitlement for 2011-12, and up to 2 working days entitlement for 2012-13. Eligible employees are able to apply for and take the leave on or after 1 July 2013.

**16 Unrecognised contractual commitments**

No material commitments exist at 30 June 2013.

**17 Contingent assets and liabilities**

The Commission is not aware of any contingent assets or liabilities as at 30 June 2013.

**18 Cash flow reconciliation**

	2013	2012
	\$' 000	\$' 000
<b>Reconciliation of cash at 30 June</b>		
Cash disclosed in the Statement of Financial Position	807	983
<b>Balance as per Statement of Cash Flows</b>	<b>807</b>	<b>983</b>
<b>Reconciliation of net cash provided by/(used in) operating activities to net cost of providing services:</b>		
Net cash provided by operating activities	(176)	322
Less: revenue from SA Government	(485)	(476)
<b>Add/(less) non cash items</b>		
<b>Movement in assets and liabilities</b>		
Decrease in receivables	(1)	(5)
(Increase)/decrease in payables and provisions	(61)	(1)
(Increase) in employee benefits	(17)	(13)
<b>Net cost of providing services</b>	<b>(740)</b>	<b>(173)</b>

**19 Remuneration of commission members**

Members that were entitled to receive remuneration for membership during the 2012-13 financial year were:

Gascoigne C J  
Patetsos M  
Ross J S

Members who were entitled to receive remuneration during the year are listed in the following summary table:

	2013	2012
\$10 000 - \$19 999	2	2
\$20 000 - \$29 999	1	1
<b>Total number of members</b>	<b>3</b>	<b>3</b>

Remuneration of members reflects all costs of performing board member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements.

The travel allowance paid to members has not been included as remuneration as it is considered to be a reimbursement of direct out-of-pocket expenses incurred by the relevant members. The total remuneration received or receivable by members was \$46,000 (2012: \$50,000).

Amounts paid or payable to a superannuation plan for board members was \$4,000 (2012: \$4,000).

Unless otherwise disclosed, transactions between related parties are on conditions no more favourable than those which it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

**20 Disclosure of administered items**

	2013	2012
	\$' 000	\$' 000
<b>Administered revenues - Commonwealth receipts</b>		
Commonwealth Financial Assistance Grants	146,081	185,520
Commonwealth Roads to Recovery Grants	4,370	4,785
Commonwealth Specific Purpose Grants	16,862	16,249
Refunds received by the Commission applied to program	116	-
<b>Total administered revenues - Commonwealth receipts</b>	<b>167,429</b>	<b>206,554</b>
<b>Administered expenses - Commonwealth payments</b>		
Local Government Financial Assistance Grants	146,197	185,520
Local Government Roads to Recovery Grants	4,370	5,813
Commonwealth Specific Purpose Grants	16,862	16,249
<b>Total administered expenses - Commonwealth payments</b>	<b>167,429</b>	<b>207,582</b>
<b>Net operating surplus</b>	<b>-</b>	<b>(1,028)</b>
Cash held at the commencement of the year	-	1,028
<b>Cash held at the end of the year</b>	<b>-</b>	<b>-</b>

**21 Events after the reporting period**

As a result of restructuring of administrative arrangements outlined in the Government Gazette on 1 August 2013, the Local Government Grants Commission administrative responsibility would transfer from the Department of the Premier and Cabinet to the Department of Primary Industries and Regions SA.

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**SOUTH AUSTRALIAN LOCAL GOVERNMENT GRANTS COMMISSION**

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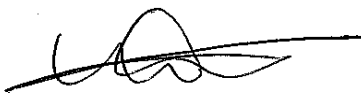
**Certification of the Financial Statements**

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We certify that the attached general purpose financial statements for the South Australian Local Government Grants Commission:

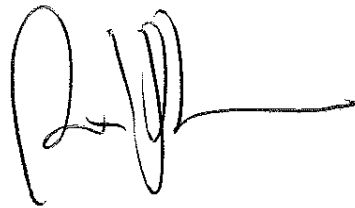
- comply with relevant Treasurer's instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and any relevant Australian accounting standards;
- are in accordance with the accounts and records of the Commission; and
- present a true and fair view of the financial position of the South Australian Local Government Grants Commission as at 30 June 2013 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the South Australian Local Government Grants Commission for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



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

27 November 2013



.....  
Peter Ilee  
**Executive Officer**  
**South Australian Local Government**  
**Grants Commission**

27 November 2013

**INDEPENDENT AUDITOR'S REPORT**

**Government of South Australia**  
Auditor-General's Department

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**To the Chairperson**  
**South Australian Local Government Grants Commission**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the accompanying financial report of the South Australian Local Government Grants Commission for the financial year ended 30 June 2013. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2013
- a Statement of Financial Position as at 30 June 2013
- a Statement of Changes in Equity for the year ended 30 June 2013
- a Statement of Cash Flows for the year ended 30 June 2013
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Chairperson and the Executive Officer.

**The members of the South Australian Local Government Grants Commission's Responsibility for the Financial Report**

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

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the members of the South Australian Local Government Grants Commission, as well as the overall presentation of the financial report.

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

**Opinion**

In my opinion, the financial report gives a true and fair view of the financial position of the South Australian Local Government Grants Commission as at 30 June 2013, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



**S O'Neill**  
**AUDITOR-GENERAL**  
3 December 2013