



Local Government Grants Commission
South Australia

Annual Report
2008 - 09

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

Dear Minister

As Chairman 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 2008-09.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M Germein', with a stylized flourish at the end.

Malcolm Germein AM
CHAIRPERSON

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CHAIRPERSON'S INTRODUCTION

The main function of the South Australian Local 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*.

In 2008-09, the Commission made recommendations on the distribution of Financial Assistance Grants for 2009-10 totalling over \$132 million. Of this, \$99.7 million was provided for general financial assistance and \$32.7 million provided for identified local road funding. This represents an increase in general financial assistance from the previous year's grants of 2.85 per cent and an increase in identified local road funding of 3.88 per cent.

State shares for the distribution of the general purpose grants are determined on an equal per capita basis, and the Commonwealth *Local Government (Financial Assistance) Act 1995* 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.

While the Commission endeavours to continually improve its methodology in allocating funds to local governing authorities, review projects were postponed for 2008-09 to allow our new Executive Officer time to settle into the role. The Commission's methodology review program will re-commence during 2009-10. This will include projects to understand growth within Local Government and evaluate a method of incorporating growth into the methodology as well as an examination of the impacts of drought on property valuations.

The Commission's most recent work on the methodology has included:

- A review of the expenditure assessment of the current methodology. This involved examining functional expenditure categories to determine whether a wider range of local government functions could be assessed and whether functional units of measure could be more accurately identified; and
- A review of the cost relativity indices for the stormwater maintenance expenditure function. The object of the review was to enhance and update the cost relativity indices (CRI's) and to 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 for the maintenance of stormwater. The review confirmed the number of urban properties as the key driver to be used by the Commission in its assessment process and the updated CRI's were incorporated into the methodology for the 2008-09 grant recommendations.

The Commission recommended no council receive a decreased grant in 2009-10 greater than minus 2%, and increases in grant were capped at 9%. 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.

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 can also 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 and other government organisations for planning and reporting services and the Commission continued to work closely with these organisations during 2008-09.

Further work was undertaken throughout 2008-09 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 gratefully acknowledges Mr Max King from the Australian Bureau of Statistics for his ongoing contribution to the development and refinement of the Commission's data collection tools and processes. Changes to the Supplementary Return are designed to reflect the current reporting practices in place in councils and make the process of preparing the next round of returns easier.

Working with the LGA, the Commission also provided financial assistance to around 30 councils identified by the LGA, and assessed by the Commission as needing assistance with the Development of their Asset Management Plans.

Staffing has continued to challenge the Commission in 2008-09. Our new Executive Officer, Mr Peter Ilee, was appointed in July 2008 and the Commission have spent the year assisting Peter to settle into the role, develop new relationships with council staff and understand the Commission's methodology.

The work of the Commission has been challenged during 2008-09 by the long term illness of our long serving Project Officer, Lyn Skouborg. Lyn is expected to return to work in late 2009. Project Officers Patti Gekas and Patricia Lyons joined the Commission in 2008-09 to provide valuable support to the Commission and the Executive Officer. Patti finished with the Commission toward the end of the financial year to take on another role within the newly formed Department of Planning and Local Government. We wish Patti well.

In closing, I would like to acknowledge the efforts of Commissioners Mary Patetsos and John Ross and thank Commission staff, Executive Officer Peter Ilee and Project Officers Patti Gekas, Patricia Lyons and Lyn Skouborg for their contribution during the year.

MALCOLM GERMEIN
CHAIRPERSON

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 a five-year term. At the conclusion of this time members are eligible for renomination.

Members during 2008-09 were:

- Malcolm Germein, Chairperson from 1 August 1995 until 31 July 2010, joint nominee of the Local Government Association and Minister for State/Local Government Relations. (Commissioner since 1992);
- Mary Patetsos, Commissioner from 8 August 2002 until 31 August 2012, nominee of the Minister for Local Government; and
- John Ross, Commissioner from 11 August 2005 until 31 July 2010, nominee of the Local Government Association

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.

Staff

The Commission is funded for four full time staff members employed under the Public Sector Management Act. As at 30 June 2009, the Commission Staff were: Peter Ilee (Executive Officer), Patricia Lyons (Project Officer) and Lyn Skouborg (Project Officer).

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, Local Government Grants and Regional Communities.

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 2008-09. In accordance with Section 9 of the Act an information statement is provided at *Appendix II*.

CHAPTER 2 - COMMISSION ACTIVITIES 2008-09

Grant Allocation

The total 2008-09 allocation of \$129,058,490 was decreased following the end of the financial year by \$676,150 after adjustment for CPI and population. This decrease will be passed on to councils in the four quarterly instalments during 2009-10. The actual allocation figure, which includes the adjusted 2008-09 allocations, is shown in *Appendix III*.

For 2009-10 the Commission made recommendations on the distribution of \$132,361,238 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 \$99,706,437, an increase of 2.85 per cent on 2008-09. The identified local road component was \$32,654,801, an increase of 3.88 per cent.

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 one quarter of the estimated 2009-10 Financial Assistance Grants during 2008-09 in accordance with a request from the Commonwealth. On 26 June 2009, \$32,814,503 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 2008) were used in the calculation of the 2008-09 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. Currently the Commission uses 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, circulation of a summary of findings paper and 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.

Information Collection and Storage

The Commission maintains an electronic database for calculating grants and for information distribution to councils and other users. The current database contains information including data from annual financial statements and supplements to those statements dating back to 1997-98. Data prior to 1997-98 is at pre-amalgamated council level where appropriate.

Other data maintained by the Commission includes rates information, estimated resident population, council area data, valuation data and various statistical data contained in the General Information Return (in relation to employees, road lengths, health inspections, development applications, waste management, environmental management, subsidiaries etc.). The Commission received 191 requests for information for the financial year ended 30 June 2009.

Continued refinement of the database occurred during the year to enhance the efficiency of the Commission's operations.

In addition, the Commission maintains a Geographical Information System, road centreline database off site at Tonkin Consulting (see Methodology Review ongoing refinement above).

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 2008-09 Commission members and staff attended 16 meetings at the councils listed below. In addition to these meetings the Grants Commission Executive Officer met with some Chief Executive Officers and Finance Managers to discuss methodological issues.

Visited in July 2008 Holdfast Bay City Council	Visited in November 2008 District Council of Ceduna District Council of Franklin Harbour	Visited in May 2009 District Council of Barunga West City of Charles Sturt
Visited in August 2008 City of Port Adelaide Enfield	District Council of Kimba District Council of Streaky Bay City of Whyalla	District Council of Copper Coast Wakefield Regional Council District Council of Yorke Peninsula
Visited in October 2008 Adelaide Hills Council	Wudinna District Council	Visited in June 2009 City of West Torrens
	Visited in February 2009 District Council of Mount Barker	

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 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 and the LGA provide executive support to the Committee. The Committee's main role is to make recommendations to the South Australian Local Government Grants Commission on the allocation of the Special Local Roads component of the Financial Assistance Grants. 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 Mark Elford (Director, Road Transport Planning, Department of Transport Energy and Infrastructure), Wally Iasiello (Director, Technical Services, Port Adelaide Enfield Council), Mayor Kym McHugh (Alexandrina Council) and Ms Jane Gascoigne (Director, Local Government Grants and Regional Communities). 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 2009-10, \$4.9 million was allocated to specific projects under the Financial Assistance Grants program, \$2.22 million under the Supplementary Local Road Funding Grant and \$4.26 million from the Special Projects component of the Roads to Recovery Grants. In total \$11.38 million was allocated for 2009-10.

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 Mark Elford (Director, Road Transport Planning, Department of Transport, Energy and Infrastructure), and Ms Jane Gascoigne (Director, Local Government Grants and Regional Communities). The Committee's Executive Officer is Mr Silvio Visentin, an officer of the Department of Transport.

During 2008-09, the Committee finalised its recommended methodology for reclassifying roads. The new guidelines were presented to the Minister for Transport, Energy and Infrastructure and the President of the Local Government Association and approved in July 2008.

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 2008-09.

The Year Ahead

While the Commission endeavours to continually improve its methodology in allocating funds to local governing authorities, the appointment of a new Executive Officer and new project officers has resulted in a year of consolidation for the Commission in 2008-09.

Working with the LGA, the Commission identified approximately 30 councils in need of assistance with the development of their asset management plans. Financial assistance of \$8,000 was provided to each of these councils in 2008-09.

The Commission will be looking to launching its own independent website in 2009-10. The website will help to better meet the needs of the South Australian Grants Commission's audience and provide extra information not previously accessible to the wider community.

Collection and dissemination of South Australia's Local Government Finance Statistics will again be a major focus in 2009-10. The Commission will continue to work with the 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.

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 2009-10 and respond to changes in grant funding in line with the National Principles as necessary.

The Commission will sustain its active council visiting program in 2009-10. These sessions provide a unique opportunity to discuss the grant allocation process. The Commission values the chance to educate councils on methodology details, and be educated on specific issues facing council.

Local Government Disaster Fund

The Commission's staff provides administrative support to the Local Government Disaster Fund Management Committee on a fee for service basis. For the financial year ended 30 June 2009, the Management Committee made recommendations to the Treasurer for payments of \$1.44 million to councils primarily in respect of storm damage. Approved by the Treasurer, the recommendations were \$150,000 in excess of the original \$1.3 million budget provision for the year.

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 2009-2010 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 2009-2010 has increased in line with estimated inflation and the underlying growth in Commonwealth General Purpose payments to the States.

Entitlements for all States for 2008-2009 and for 2009-2010 are set out in Tables 1 and 2.

**TABLE 1 - Commonwealth General Purpose Financial Assistance for Local Government,
State and Territory Entitlements 2008-09 and 2009-10**

State	2008-09					
	Proportion (%)	Allocation (Estimate) (\$mill)	Adjustment (\$mill)	Interim Actual (\$mill)	Paid in advance from 2009-10 (\$mill)	Allocation (Actual) (\$mill)
New South Wales	32.71	424.02	(1.95)	422.07	108.09	530.15
Victoria	24.77	321.12	(1.73)	319.39	82.38	401.77
Queensland	19.97	258.82	(1.73)	257.09	66.84	323.93
Western Australia	10.06	130.43	(1.04)	129.40	33.84	163.24
South Australia	7.52	97.45	(0.50)	96.95	24.71	121.66
Tasmania	2.34	30.35	(0.18)	30.16	7.66	37.82
Northern Territory	1.03	13.32	(0.11)	13.20	3.40	16.60
Australian Capital Territory	1.61	20.86	(0.10)	20.76	5.35	26.12
TOTAL	100.00	1,296.36	(7.34)	1,289.03	332.26	1,621.29

State	2009-10					% change 08/09 to 09/10 (%)
	Proportion (%)	Allocation (Estimate) (\$mill)	Allocation minus Advance Payment (\$mill)	Cash prior to Advance payment (\$mill)	Remaining Cash to be paid (\$mill)	
New South Wales	32.53	435.67	327.58	433.72	325.63	3.22
Victoria	24.79	331.96	249.58	330.23	247.86	3.93
Queensland	20.10	269.19	202.35	267.46	200.62	4.70
Western Australia	10.18	136.38	102.54	135.34	101.50	5.40
South Australia	7.45	99.71	74.99	99.21	74.50	2.85
Tasmania	2.31	30.93	23.27	30.75	23.09	2.55
Northern Territory	1.02	13.71	10.31	13.60	10.20	3.84
Australian Capital Territory	1.61	21.54	16.18	21.44	16.08	3.73
TOTAL	100.00	1,339.08	1,006.82	1,331.75	999.48	3.88

**TABLE 2 - Commonwealth Identified Local Road Grants for Local Government,
State and Territory Entitlements 2008-09 and 2009-10**

State	2008-09					
	Proportion (%)	Allocation (Estimate) (\$mill)	Adjustment -	Interim Actual (\$mill)	Paid in advance from 2009-10 (\$mill)	Allocation (Actual) (\$mill)
New South Wales	29.01	166.89	(0.94)	165.95	42.78	208.72
Victoria	20.62	118.59	(0.67)	117.92	30.40	148.32
Queensland	18.74	107.78	(0.61)	107.17	27.62	134.79
Western Australia	15.29	87.95	(0.50)	87.46	22.54	110.00
South Australia	5.50	31.61	(0.18)	31.43	8.10	39.54
Tasmania	5.30	30.48	(0.17)	30.31	7.81	38.12
Northern Territory	2.34	13.47	(0.08)	13.40	3.45	16.85
Australian Capital Territory	3.21	18.45	(0.10)	18.34	4.73	23.07
TOTAL	100.00	575.24	(3.26)	571.98	147.43	1,147.21

State	2009-10					% change 08/09 to 09/10 (%)
	Proportion (%)	Allocation (Estimate) (\$mill)	Allocation minus Advance Payment (\$mill)	Cash prior to Advance payment (\$mill)	Remaining Cash to be paid (\$mill)	
New South Wales	29.01	172.39	129.62	171.45	128.67	3.88
Victoria	20.62	122.50	92.10	121.83	91.43	3.88
Queensland	18.74	111.33	83.71	110.72	83.10	3.88
Western Australia	15.29	90.85	68.31	90.35	67.81	3.88
South Australia	5.50	32.65	24.55	32.48	24.37	3.88
Tasmania	5.30	31.49	23.67	31.32	23.50	3.88
Northern Territory	2.34	13.92	10.47	13.84	10.39	3.88
Australian Capital Territory	3.21	19.05	14.33	18.95	14.22	3.88
TOTAL	100.00	594.19	446.76	590.93	443.50	3.88

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 2009-2010 allocations there were 68 councils, the Outback Areas Community Development Trust 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 Areas Community Development Trust 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, ie 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, (\$18.66 for 2009-10), 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 2009-10 grants, the Commission constrained changes to councils between positive 9% and minus 2%. 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 councils receive and are not dependent upon their own special effort i.e. they are effort neutral, are treated by the "inclusion approach". That is, subsidies such as those for library services, and roads are included as a revenue function.

Component Expenditure Grants

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

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

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.

Expenditure Function	Standard Cost	Units of Measure
Waste Management	Reported expenditures ¹	Number of residential properties
Aged Care Services	Reported expenditures ¹	Population aged 65+ from the ABS Census and estimated resident population
Services to Families and Children	Reported expenditures ¹	Population aged 0-14 yrs from the ABS Census and estimated resident population
Health Inspection	Reported expenditures ¹	Establishments to inspect
Libraries	Reported expenditures ¹	Number of library visitors
Sport and Recreation	Reported expenditures ¹	Population aged 5-49 years from the ABS Census and estimated resident population
Sealed Roads – Built-Up ⁵	Reported expenditures ¹	Kilometres of built-up sealed road as reported in GIR
Sealed Roads - Non-built-up ⁵	Reported expenditures ¹	Kilometres of non-built-up sealed road as reported in GIR
Sealed Roads - Footpaths etc	Reported expenditures ¹	Kilometres of built-up sealed road as reported in GIR
Unsealed Roads – Built-up ⁵	Reported expenditures ¹	Kilometres of built-up unsealed road as reported in GIR
Unsealed Roads - Non-built-up ⁵	Reported expenditures ¹	Kilometres of non-built-up unsealed road as reported in GIR
Unformed Roads ⁵	Reported expenditures ¹	Kilometres of unformed road as reported in GIR Roads
Stormwater Drainage Maintenance 2,3	Reported expenditures ¹	Number of urban properties ⁴
Community Support	Reported expenditures ¹	3yr average population * SEIFA Advantage Disadvantage CRI
Jetties and Wharves	Reported expenditures ¹	Number of jetties and wharves
Public Order and Safety	Reported expenditures ¹	Total number of properties
Planning and Building Control	Reported expenditures ¹	Number of new developments and additions
Bridges	Reported expenditures ¹	Number of bridges as reported in GIR
Other Needs Assessments	Set at 1.00.	Based on Commission determined relative expenditure needs in a number of areas ⁶

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

2 Includes both construction and maintenance activities.

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

-
- 4 Urban properties = sum [residential properties, commercial properties, industrial properties, exempt residential properties, exempt commercial properties, exempt industrial properties].
 - 5 The Commission has for these functions, used CRI's based on the results of a consultancy led by Emcorp and Associates, in association with PPK Environment and Infrastructure. Tonkin Consulting has since refined the results. For a breakdown of each cost relativity indices by type of road, refer *Appendix V*.
 - 6 Comprises Commission determined relative expenditure needs with respect to the following:
 - Non-Resident Use / Tourism / Regional Centre – assessed to be high, medium or low;
 - 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. The Commission is aware that there are many factors, which may influence a council's expenditure and that it is not always possible to determine objectively the extent to which a council's expenditure is affected by inherent or special factors. Therefore, in determining units of measure and cost relativity indices, the Commission must exercise its judgement based on experience, the evidence submitted to the Commission, and the knowledge gained by the Commission during visits to council areas and as a result of discussions with elected members and staff.

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

Summary of figures by function

Total Population = 1603361

Function	Standard in Dollars	Unit of Measure per Capita	Total Units of Measure	Unit of Measure
Expenditure Functions				
Waste Management	128.43	0.40827	642,646	No of residential properties
Aged Care Services	101.77	0.15257	240,163	Population aged more than 65
Services To Families And Children	48.69	0.18140	285,539	Population aged 0 to 14
Health Inspection	296.14	0.01235	19,441	Establishments to inspect
Libraries	5.43	7.23520	11,388,690	Number of visitors
Sport and Recreation	128.38	0.60270	948,696	Population aged 5 to 49
Sealed Roads - Built Up	8,305.86	0.00658	10,360	Kilometres of sealed builtup
Sealed Roads - Non Built Up	8,305.86	0.00452	7,117	Kilometres of sealed non-builtup
Sealed Roads - Footpaths etc	9,469.84	0.00658	10,360	Kilometres of sealed builtup
Unsealed Roads - Built Up	1,318.88	0.00049	778	Kilometres of formed and surfaced, and natural surface formed builtup road
Unsealed Roads - Non Built Up	1,318.88	0.03013	47,428	Kilometres of formed and surfaced, and natural surface formed non-builtup road
Roads - Unformed	215.16	0.00577	9,082	Kilometres of natural surfaced unformed road
Stormwater Drainage - Maintenance	49.73	0.44094	694,062	No of urban, industrial and commercial properties including exempt
Community Support	23.77	0.99998	1,574,030	3yr average population * SEIFA Advantage Disadvantage CRI
Jetties and Wharves	12,234.01	0.00005	76	Number of jetties and wharves
Public Order and Safety	14.53	0.56143	883,725	Total no of properties
Planning And Building Control	689.03	0.03500	55,086	No of new developments and additions
Bridges	3,373.07	0.00055	869	Number of bridges
Other Special Needs	1.00	27.71344	43,622,800	Total of dollars attributed
Revenue Functions				
Rates - residential	0.0029	122,230	191,392,737,200	Valuation of residential
- commercial	0.0055	15,386	24,205,278,887	Valuation of commercial
- industrial	0.0078	2,459	3,868,629,013	Valuation of industrial
- rural	0.0031	18,834	29,295,580,032	Valuation of rural
- other	0.0021	8,365	13,159,992,326	Valuation of other
Subsidies	1.00	24.57110	38,676,543	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. To do this we calculate each individual council's unit of measure per capita, compare it with the similar figure from the table and then multiply the difference by the standard from the table and its own population. If *CRIs* are applicable then they must be included as a multiplier against the council's unit of measure per capita.

It must be stressed that this 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, (\$18.66 for 2009-10), 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 2009-10 grants, the Commission constrained changes between positive 9% and minus 2%. 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 area of 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 Areas Community Development Trust

The Outback Areas Community Development Trust is prescribed as a local governing body for the purposes of the Grants Commission's recommendations.

The Trust was established in May 1978 under legislation of the South Australian Parliament. It has a broad responsibility for community development activities in the outback areas of the State and with particular emphasis on those functions that are at present normally undertaken by local councils elsewhere in the State.

Due to the lack of comparable data, the Commission is not able to calculate the grant to the Trust in the same manner as grants to other local governing bodies. Rather, a per capita grant has been established. The 2009-10 per capita grant is \$335.86.

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, Nepabunna Community Council Inc., and Yalata Community Council Inc.

Again, due to the unavailability of data, grants for these communities are not calculated in the same manner as grants to other local governing bodies. Initially, the Commission utilised the services of a consultant, Alan Morton, of Morton Consulting Services, who completed a study on the expenditure needs of the communities and their revenue raising capacities. Comparisons were made with communities in other states and per capita grants were established. Grants have gradually been increased since the initial study. For 2009-10 the per capita grant varied from \$288.85 for Nepabunna to \$1,337.55 for Yalata Community Council.

CHAPTER 6 – GRANT ALLOCATIONS FOR 2009-10

Local Government Authority	Population as at 30-Jun-08	General Purpose Grant (\$)	Identified Road Grant (\$)	Special Local Road Grant (\$)	Total Estimated Grant (\$)
Adelaide City	18,990	354,353	197,572	150,000	701,925
Adelaide Hills Council	39,703	740,858	599,158	246,000	1,586,016
Alexandrina Council	22,613	440,694	453,337		894,031
Barossa Council	22,172	413,730	376,878		790,608
Barunga West District	2,614	284,756	174,879	187,000	646,635
Berri Barmera Council	11,283	1,979,171	186,509		2,165,680
Burnside City	44,010	821,227	403,799		1,225,026
Campbelltown City	48,593	906,745	443,504	96,000	1,446,249
Ceduna District	3,731	1,888,158	368,009		2,256,167
Charles Sturt City	105,573	1,969,992	973,959	29,000	2,972,951
Clare And Gilbert Valleys Dc	8,653	346,881	319,335		666,216
Cleve District	1,921	823,517	297,475	434,000	1,554,992
Cooper Pedy	1,942	761,294	40,362		801,656
Coorong District	5,831	1,875,405	552,878		2,428,283
Copper Coast District	12,496	1,489,771	250,392		1,740,163
Elliston District	1,161	676,038	340,847		1,016,885
Flinders Ranges Council	1,827	950,872	250,600		1,201,472
Franklin Harbour District	1,339	813,977	213,175		1,027,152
Gawler Town	20,257	868,661	240,727	332,000	1,441,388
Goyder Regional Council	4,284	2,084,135	562,442	156,000	2,802,577
Grant District	8,542	752,382	286,358	513,000	1,551,740
Holdfast Bay City	35,525	662,897	312,946		975,843
Kangaroo Island Council	4,536	1,365,461	329,678	694,000	2,389,139
Karoonda East Murray District	1,186	1,003,915	283,221		1,287,136
Kimba District	1,139	789,859	251,608		1,041,467
Kingston District	2,442	531,741	208,883		740,624
Light Regional	13,318	248,514	330,699		579,213
Lower Eyre Pen Dc	4,731	333,441	337,202		670,643
Loxton Waikerie District	12,068	2,700,309	616,893	632,000	3,949,202
Mallala District	8,365	803,938	207,245		1,011,183
Marion City	82,971	1,548,239	783,666		2,331,905
Mid Murray Council	8,451	2,538,747	539,424		3,078,171
Mitcham City	64,891	1,210,866	633,120		1,843,986
Mount Barker District	29,149	557,610	430,411	1,000,000	1,988,021
Mount Gambier City	24,928	1,561,581	315,721		1,877,302
Mount Remarkable District	2,957	1,316,662	304,381		1,621,043

Local Government Authority	Population as at 30-Jun-08	General Purpose Grant (\$)	Identified Road Grant (\$)	Special Local Road Grant (\$)	Total Estimated Grant (\$)
Murray Bridge District	19,101	2,712,939	378,136		3,091,075
Naracoorte Lucindale Dc	8,440	1,565,480	403,470		1,968,950
Northern Areas Council	4,856	1,008,233	338,324	133,000	1,479,557
Norwood, Payneham And St. Peters	35,893	669,763	303,497		973,260
Onkaparinga City	158,061	6,245,656	1,899,102	200,000	8,344,758
Orroroo/Carrieton District	949	692,084	212,615		904,699
Peterborough Dc	2,004	1,195,224	206,777		1,402,001
Playford City	75,323	7,671,598	971,421		8,643,019
Port Adelaide Enfield	109,922	2,051,145	1,069,567		3,120,712
Port Augusta City	14,542	2,876,152	243,783		3,119,935
Port Lincoln City	14,452	780,511	187,440		967,951
Port Pirie City And Districts	17,950	3,589,822	364,327		3,954,149
Prospect City	20,710	386,449	171,797		558,246
Renmark Paringa District	9,868	1,943,628	189,746		2,133,374
Robe District	1,453	27,113	90,555		117,668
Roxby Downs Municipality	4,453	83,093	60,372		143,465
Salisbury City	127,514	7,976,855	1,214,174		9,191,029
Southern Mallee District	2,198	932,421	334,816		1,267,237
Streaky Bay District	2,159	1,146,493	382,749		1,529,242
Tatiara District	7,089	1,655,467	469,726		2,125,193
Tea Tree Gully City	99,886	1,863,873	953,285		2,817,158
Tumby Bay District	2,706	482,246	218,605		700,851
Unley City	38,146	711,804	320,188		1,031,992
Victor Harbor District	13,247	247,189	205,563		452,752
Wakefield Regional Council	6,679	1,257,777	417,946		1,675,723
Walkerville Town	7,258	135,434	63,983		199,417
Wattle Range Council	12,508	1,300,472	461,118	96,000	1,857,590
West Torrens Cty	55,064	1,027,494	503,937		1,531,431
Whyalla City	22,801	4,169,523	333,856		4,503,379
Wudinna District	1,333	1,137,606	327,478		1,465,084
Yankalilla District	4,497	93,878	125,346		219,224
Yorke Peninsula District	11,670	1,150,291	681,173		1,831,464
Outback Areas Cdt	3,695	1,241,013			1,241,013
Anangu Pitjantjatjara Yankunytjatjara	2,363	980,744	122,736		1,103,480
Gerard Cty Council	81	38,275	16,353		54,628
Maralinga Tjarutja	110	79,975	43,912		123,887
Nepabunna Cty Council	85	24,552	16,281		40,833
Yalata Cty Council	103	137,768	35,354		173,122
STATE TOTAL	1,603,361	99,706,437	27,756,801	4,898,000	132,361,238

APPENDIX I - Member profiles

Malcolm Germein AM

Small business owner living in Adelaide; Councillor of the District Council of Central Yorke Peninsula 1978-95; Chair of the Council Planning Committee 1989-92; Vice President of the SA Local Government Association 1986-88; President of the SA Local Government Association 1988-90; Chair of the Local Government Workers Compensation Scheme 1988 to 1997; Chair of the Local Government Mutual Liability Scheme 1990 to 1997; Chair of the Council Purchasing Authority 1991 to 1997, Vice President of the Australian Local Government Association 1990-92; Chair of the Local Roads Advisory Committee 1988-93; Member of the Development Policy Advisory Committee; Chair of the Yorke Peninsula Regional Development Board 1994 to 1996; and Chairman of the SA Local Government Grants Commission 1995 to present.

Mary Patetsos BSW Grad Dip Sociology, JP

Principal Consultant Synthesis Consultancy since 1996 and Commissioner of the Local Government Grants Commission since 2002. Prior employment as Principal Consultant, Optimum Outcomes Consultancy (NSW); Senior Policy Adviser Aged Care Australia (ACT); Senior Adviser to the Department Secretary Health Department (WA); Senior Policy Officer Western Australian Municipal Association; Research and Development Officer City of Wanneroo (WA). Board Member SA Housing Trust, 2005; South Australian Affordable Housing Board, 2006; SA Social Inclusion Board from 2007 and Public Space Advisory Committee since 2007. Current Board member of ACH group, since 2008 and Port Adelaide Community Engagement Committee since 2009. Acting CEO of the Migrant Resource Centre of SA till present.

John Ross, Cr

Councillor of Tatiara Council since 1979; Chairman of Tatiara Council 1989-1992 and 2003; 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; Chairman of SA Council Purchasing Co-Op 1997-1998; and Commissioner of the SA Local Government Grants Commission August 2005 to present.

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 general revenue 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 North Terrace ADELAIDE SA 5000
Postal Address	PO Box 8326 Station Arcade SA 5000
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 2008-2009

Local Government Authority	2008/2009 Actual General Purpose Grant \$	2008/2009 Actual Road Grant \$	2008/2009 Special Road Grant \$	2008/2009 Total Actual Grant \$
Adelaide City	340,960	188,027	110,000	638,987
Adelaide Hills Council	728,562	581,773	122,000	1,432,335
Alexandrina Council	404,306	432,012		836,318
Barossa Council	400,268	363,488		763,756
Barunga West District	261,244	168,814		430,058
Berri Barmera Council	1,818,707	181,960		2,000,668
Burnside City	805,602	389,376		1,194,978
Campbelltown City	886,349	424,746		1,311,095
Ceduna District	1,732,255	354,225		2,086,480
Charles Sturt City	1,917,527	933,358	300,000	3,150,885
Clare And Gilbert Valleys Dc	318,240	307,825	289,000	915,065
Cleve District	774,507	287,646		1,062,153
Cooper Pedy	772,887	39,333		812,220
Coorong District	1,896,946	533,659		2,430,605
Copper Coast District	1,366,762	239,088		1,605,851
Elliston District	620,218	328,740		948,958
Flinders Ranges Council	905,195	241,556		1,146,750
Franklin Harbour District	746,768	205,640		952,409
Gawler Town	868,661	230,430		1,099,091
Goyder Regional Council	1,912,051	542,810		2,454,861
Grant District	763,840	275,386	150,000	1,189,225
Holdfast Bay City	643,135	299,987		943,122
Kangaroo Island Council	1,386,254	317,496	600,000	2,303,750
Karoonda East Murray District	921,023	273,363		1,194,387
Kimba District	724,642	242,819	450,000	1,417,461
Kingston District	487,836	201,430		689,266
Light Regional Council	241,563	318,143		559,706
Lower Eyre Pen Dc	305,909	323,637		629,547
Loxton Waikerie District	2,507,177	596,442	590,000	3,693,618
Mallala District	806,536	200,575		1,007,111
Marion City	1,509,384	752,647		2,262,030
Mid Murray Council	2,418,965	520,407		2,939,372
Mitcham City	1,187,936	608,164		1,796,101
Mount Barker District	566,102	408,162		974,263
Mount Gambier City	1,432,643	303,471		1,736,114
Mount Remarkable District	1,244,539	293,422		1,537,961

Local Government Authority	2008/2009 Actual General Purpose Grant \$	2008/2009 Actual Road Grant \$	2008/2009 Special Road Grant \$	2008/2009 Total Actual Grant \$
Murray Bridge District	2,585,619	360,522		2,946,141
Naracoorte Lucindale Dc	1,565,480	389,836	381,000	2,336,316
Northern Areas Council	924,984	326,918	347,000	1,598,903
Norwood, Payneham And St. Peters	652,936	291,444		944,381
Onkaparinga City	6,340,767	1,828,845		8,169,612
Orroroo/Carrieton District	634,940	205,104		840,044
Peterborough Dc	1,096,536	199,309		1,295,845
Playford City	7,788,425	924,900		8,713,325
Port Adelaide Enfield	1,981,883	1,019,760		3,001,642
Port Augusta City	2,919,952	232,717		3,152,668
Port Lincoln City	716,066	180,978		897,043
Port Pirie City And Districts	3,589,822	351,993		3,941,815
Prospect City	373,615	164,234		537,849
Renmark Paringa District	1,838,938	184,240		2,023,178
Robe District	26,745	87,479		114,223
Roxby Downs Municipality	80,453	57,511		137,965
Salisbury City	8,139,648	1,160,794		9,300,443
Southern Mallee District	855,432	323,528		1,178,960
Streaky Bay District	1,051,829	369,154		1,420,983
Tatiara District	1,518,777	454,544		1,973,321
Tea Tree Gully City	1,827,583	918,772	225,000	2,971,355
Tumby Bay District	442,428	210,443		652,871
Unley City	699,432	308,834	740,000	1,748,266
Victor Harbor District	235,157	194,383		429,540
Wakefield Regional Council	1,153,923	403,328		1,557,251
Walkerville Town	133,741	61,889		195,630
Wattle Range Council	1,193,093	444,673	438,000	2,075,766
West Torrens Cty	1,007,663	485,234		1,492,897
Whyalla City	4,233,018	321,955		4,554,973
Wudinna District	1,147,179	315,850		1,463,029
Yankalilla District	86,125	120,632		206,758
Yorke Peninsula District	1,055,312	656,636		1,711,948
Outback Areas Cdt	1,202,765			1,202,765
Anangu Pitjantjatjara Yankunytjatjara	950,517	118,028		1,068,545
Gerard Cty Council	37,096	15,726		52,821
Maralinga Tjarutja	77,510	42,228		119,738
Nepabunna Cty Council	23,795	15,656		39,451
Yalata Cty Council	133,522	33,998		167,520
STATE TOTAL	96,948,206	26,692,134	4,742,000	128,382,340

APPENDIX IV - Road lengths by council by surface type at 30 June 2008

(Road length data includes laneways)

Council name	Sealed	Formed	Unformed	TOTAL
Adelaide City	138	0	0	138
Adelaide Hills Council	610	478	9	1,098
Alexandrina Council	525	793	24	1,342
Barossa Council	336	560	71	967
Barunga West District	74	892	93	1,059
Berri Barmera Council	259	118	38	416
Burnside City	239	5	0	245
Campbelltown City	261	0	0	262
Ceduna District	72	1382	257	1,711
Charles Sturt City	578	3	0	582
Clare And Gilbert Valleys Dc	216	1428	188	1,832
Cleve District	58	1223	117	1,398
Cooper Pedy	28	131	264	423
Coorong District	335	1551	1	1,887
Copper Coast District	263	560	129	952
Elliston District	45	968	136	1,149
Flinders Ranges Council	18	909	337	1,263
Franklin Harbour District	71	828	37	936
Gawler Town	158	24	2	184
Goyder Regional Council	150	2878	227	3,255
Grant District	456	827	319	1,602
Holdfast Bay City	183	1	0	183
Kangaroo Island Council	238	1075	51	1,365
Karoonda East Murray District	91	1159	48	1,299
Kimba District	80	1001	637	1,718
Kingston District	124	557	57	738
Light Regional	156	1241	59	1,456
Lower Eyre Pen Dc	126	1121	132	1,380
Loxton Waikerie District	391	1729	200	2,320
Mallala District	125	697	137	958
Marion City	480	0	0	480
Mid Murray Council	321	2082	987	3,390
Mitcham City	403	6	2	411
Mount Barker District	325	365	31	721
Mount Gambier City	200	1	0	201
Mount Remarkable District	89	1546	433	2,068

Council name	TOTAL			
Murray Bridge Rural City	394	558	25	977
Naracoorte Lucindale Dc	490	1086	41	1,618
Northern Areas Council	126	1802	275	2,203
Norwood, Payneham And St. Peters	174	0	0	174
Onkaparinga City	1223	223	2	1,447
Orroroo/Carrieton District	43	890	698	1,630
Peterborough Dc	40	806	386	1,233
Playford City	670	103	6	779
Port Adelaide Enfield City	673	4	0	677
Port Augusta City	179	140	93	412
Port Lincoln City	151	7	2	161
Port Pirie City And Districts	319	647	213	1,178
Prospect City	92	0	0	92
Renmark Paringa District	308	138	51	498
Robe District	42	338	56	436
Roxby Downs Municipality	35	4	0	39
Salisbury City	744	7	0	751
Southern Mallee District	101	1087	144	1,332
Streaky Bay District	65	1445	219	1,729
Tatiara District	504	1206	225	1,935
Tea Tree Gully City	582	10	6	598
Tumby Bay District	51	963	95	1,110
Unley City	174	0	0	174
Victor Harbor City	242	136	2	380
Wakefield Regional Council	192	2182	314	2,688
Walkerville Town	37	0	0	37
Wattle Range Council	510	1396	561	2,467
West Torrens City	300	0	0	300
Whyalla City	214	133	3	349
Wudinna District	81	1266	357	1,704
Yankalilla District	128	368	48	543
Yorke Peninsula District	451	3207	237	3,894
TOTAL	17,562	48,289	9,082	74,933

APPENDIX V –Cost Relativity Indices - 2009-10 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 City	1.02	0.96	1.00	1.00	1.00	0.97	1.32
Adelaide Hills Council	1.04	1.07	1.17	1.08	1.14	1.03	0.72
Alexandrina Council	0.91	0.98	1.02	1.03	1.04	1.05	1.12
Barossa Council	1.00	1.02	1.03	1.03	1.05	1.09	1.04
Barunga West District	0.87	0.92	0.98	0.98	1.00	1.01	1.13
Berri Barmera Council	1.05	0.99	1.01	1.05	1.05	1.06	1.24
Burnside City	1.14	0.96	0.99	0.93	0.90	1.01	0.79
Campbelltown City	1.24	0.96	1.00	1.00	1.00	1.01	0.70
Ceduna District	0.89	0.95	1.01	1.01	1.00	1.14	1.12
Charles Sturt City	0.93	0.97	1.00	1.00	1.00	0.97	1.26
Clare And Gilbert Valleys Dc	1.01	0.97	0.99	1.00	1.04	1.09	0.99
Cleve District	0.87	0.92	0.98	0.98	1.00	0.98	1.11
Cooper Pedy	0.90	0.94	0.98	0.98	1.00	1.13	1.27
Coorong District	0.90	0.95	1.00	1.00	1.02	1.12	1.08
Copper Coast District	0.87	0.92	0.98	0.98	1.00	1.02	1.07
Ellistown District	0.84	0.83	0.96	0.95	0.92	1.06	1.25
Flinders Ranges Council	0.86	1.04	0.97	0.94	0.92	1.02	1.02
Franklin Harbour District	0.87	0.92	0.99	0.98	1.00	0.97	1.04
Gawler Town	0.89	1.00	1.01	1.04	1.11	1.01	0.70
Goyder Regional Council	0.89	0.91	0.99	0.99	1.00	1.14	1.06
Grant District	0.88	0.86	0.98	0.94	0.93	1.10	1.10
Holdfast Bay City	1.09	0.98	1.00	1.00	1.00	0.97	0.88
Kangaroo Island Council	0.94	0.99	1.00	1.03	0.99	1.16	1.33
Karoonda East Murray District	0.87	0.90	0.98	0.98	0.99	1.33	1.07
Kimba District	0.87	0.92	0.98	0.99	1.00	1.06	1.12
Kingston District	1.03	1.02	1.00	0.96	1.06	1.06	1.31
Light Regional Council	0.85	0.94	0.98	0.99	1.02	1.09	1.04
Lower Eyre Pen Dc	0.91	0.95	0.98	0.99	1.00	1.20	1.02
Loxton Waikerie District	0.88	0.98	0.98	0.99	0.98	1.16	1.10
Mallala District	0.84	0.90	0.98	0.98	1.00	1.16	1.22
Marion City	1.08	0.96	0.98	0.98	1.00	0.97	0.96
Mid Murray Council	1.04	1.08	1.09	1.03	1.02	1.03	0.98
Mitcham City	1.11	0.99	0.94	0.98	1.01	1.00	0.84
Mount Barker District	0.96	0.99	0.98	1.00	1.03	1.09	0.99
Mount Gambier City	0.81	0.79	0.99	0.89	0.90	0.98	1.06
Mount Remarkable District	0.88	0.93	0.99	0.99	0.99	1.11	1.06
Murray Bridge District	0.85	1.00	1.00	1.01	1.03	0.97	1.05
Naracoorte Lucindale Dc	0.96	1.11	1.03	1.07	1.18	1.06	1.02
Northern Areas Council	0.88	0.92	1.01	1.01	1.01	1.06	0.99
Norwood, Payneham And St. Peters	1.18	0.96	1.00	1.00	1.00	0.98	0.68
Onkaparinga City	1.00	1.04	0.99	1.02	1.06	0.99	0.81
Orroroo/Carrieton District	0.87	0.90	0.98	0.97	0.96	1.21	1.09
Peterborough Dc	0.88	0.91	1.01	1.00	0.96	1.02	1.20
Playford City	1.09	1.03	1.07	1.01	1.05	0.97	0.93
Port Adelaide Enfield	1.05	0.97	1.19	1.00	1.00	0.98	1.42
Port Augusta City	0.87	0.90	0.98	0.98	1.00	1.00	1.15
Port Lincoln City	0.78	0.89	0.95	0.99	0.95	1.01	1.07
Port Pirie City And Districts	0.88	0.91	1.01	1.01	1.00	0.99	1.47
Prospect City	0.97	0.97	1.00	1.00	1.00	0.98	0.80
Renmark Paringa District	1.21	1.20	1.21	1.08	1.09	0.99	1.42
Robe District	0.98	0.94	0.98	1.04	1.07	1.03	1.54
Roxby Downs Municipality	0.88	0.90	0.99	0.98	1.00	0.98	1.18
Salisbury City	1.05	0.95	1.12	1.05	1.00	0.98	0.99
Southern Mallee District	0.88	0.95	1.01	1.00	0.97	1.11	1.13
Streaky Bay District	0.76	0.82	0.95	0.95	0.96	0.99	1.16
Tatiara District	1.06	1.07	1.15	1.04	1.05	1.04	1.13
Tea Tree Gully City	1.07	1.07	1.07	1.01	1.08	0.98	0.69
Tumby Bay District	0.88	0.92	1.01	1.01	1.00	1.09	1.03
Unley City	1.26	0.97	1.00	1.00	1.00	0.98	0.82
Victor Harbor District	0.88	0.95	0.94	0.98	0.92	1.02	1.04
Wakefield Regional Council	0.88	0.90	1.01	1.01	1.00	1.07	1.11
Walkerville Town	1.06	0.96	1.00	1.00	1.00	0.97	0.62
Wattle Range Council	0.98	1.15	1.00	1.04	1.11	1.13	1.17
West Torrens City	0.93	0.97	1.00	1.00	1.00	0.98	1.08
Whyalla City	0.84	0.89	1.01	1.01	1.00	0.99	1.14
Wudinna District	0.88	0.92	1.00	0.98	0.99	1.01	1.21
Yankalilla District	0.99	1.08	0.99	1.02	1.05	1.03	1.07
Yorke Peninsula District	0.87	0.89	0.99	0.99	0.97	1.02	1.04

APPENDIX VI – Revenue relativity index

	SEIFA Index of Economic-Resources	Converted to be centred around 1
Adelaide City	951.11	0.973417
Adelaide Hills Council	1069.99	1.095085
Alexandrina Council	988.1	1.011275
Barossa Council	1021.27	1.045223
Barunga West District	967.33	0.990017
Berri Barmera Council	947.31	0.969528
Burnside City	1065.01	1.089988
Campbelltown City	990.31	1.013536
Ceduna District	920.64	0.942232
Charles Sturt City	952.64	0.974983
Clare And Gilbert Valleys Dc	993.95	1.017262
Cleve District	1010.93	1.034640
Cooper Pedy	894.23	0.915203
Coorong District	962.75	0.985330
Copper Coast District	936.8	0.958771
Elliston District	995.54	1.018889
Flinders Ranges Council	939.05	0.961074
Franklin Harbour District	991.4	1.014652
Gawler Town	970.07	0.992822
Goyder Regional Council	967.07	0.989751
Grant District	1044.65	1.069151
Holdfast Bay City	997.53	1.020926
Kangaroo Island Council	981.13	1.004141
Karoonda East Murray District	999.18	1.022614
Kimba District	1016.05	1.039880
Kingston District	981.58	1.004602
Light Regional Council	1043.81	1.068291
Lower Eyre Pen Dc	1003.64	1.027179
Loxton Waikerie District	968.68	0.991399
Mallala District	1027.89	1.051998
Marion City	964.74	0.987367
Mid Murray Council	954.92	0.977316
Mitcham City	1038.94	1.063307
Mount Barker District	1016.11	1.039941
Mount Gambier City	929.33	0.951126
Mount Remarkable District	982.3	1.005339
Murray Bridge District	928.11	0.949878
Naracoorte Lucindale Dc	995.36	1.018705
Northern Areas Council	966.66	0.989332
Norwood, Payneham And St. Peters	981.1	1.004110
Onkaparinga City	985.26	1.008368
Orroroo/Carrieton District	979.27	1.002237
Peterborough Dc	867.29	0.887631
Playford City	910.3	0.931650
Port Adelaide Enfield	909	0.930319
Port Augusta City	898.93	0.920013
Port Lincoln City	941.06	0.963131
Port Pirie City And Districts	903.01	0.924189
Prospect City	999.75	1.023198
Renmark Paringa District	955.91	0.978330
Robe District	1014.07	1.037854
Roxby Downs Municipality	1075.47	1.100694
Salisbury City	960.02	0.982536
Southern Mallee District	1000.9	1.024375
Streaky Bay District	959.79	0.982301
Tatiara District	1008.23	1.031877
Tea Tree Gully City	1017.72	1.041589
Tumby Bay District	985.66	1.008777
Unley City	1025.68	1.049736
Victor Harbor District	974.8	0.997663
Wakefield Regional Council	979.23	1.002197
Walkerville Town	1039.27	1.063645
Wattle Range Council	964.48	0.987101
West Torrens Cty	950.11	0.972394
Whyalla City	868.22	0.888583
Wudinna District	970.6	0.993364
Yankalilla District	985.05	1.008153
Yorke Peninsula District	955.41	0.977818

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 2007, 2008 and 2009 averaged)

Unit of Measure :	Residential	Commercial	Industrial	Rural	Other
Adelaide City	207,961	289,044	978	1	77,850
Adelaide Hills Council	140,902	4,377	526	40,687	5,880
Alexandrina Council	144,467	5,863	1,142	63,061	21,622
Barossa Council	96,675	9,066	11,594	48,583	7,542
Barunga West District	97,525	4,819	1,218	183,529	9,085
Berri Barmera Council	59,762	8,795	2,265	22,581	7,166
Burnside City	265,419	16,169	163	104	8,871
Campbelltown City	144,640	5,038	654	80	6,839
Ceduna District	50,564	10,302	400	18,322	7,558
Charles Sturt City	145,234	16,688	3,170	37	6,050
Clare And Gilbert Valleys Dc	71,286	9,843	1,284	133,885	7,288
Cleve District	52,284	12,643	33	127,865	6,167
Cooper Pedy	38,572	11,568	45	-	3,001
Coorong District	52,747	5,296	280	148,192	7,925
Copper Coast District	116,162	10,290	949	21,764	23,578
Elliston District	78,703	8,939	105	153,453	10,901
Flinders Ranges Council	53,987	5,180	358	33,419	6,682
Franklin Harbour District	77,679	7,544	273	65,560	15,330
Gawler Town	95,413	9,801	371	6,076	7,766
Goyder Regional Council	39,747	3,708	355	147,455	2,583
Grant District	59,012	2,376	2,693	179,665	6,390
Holdfast Bay City	216,375	19,028	758	-	10,960
Kangaroo Island Council	134,395	14,883	970	113,631	30,564
Karoonda East Murray District	19,605	4,152	1,565	145,121	2,856
Kimba District	30,413	11,501	-	136,464	4,628
Kingston District	104,665	7,370	477	173,268	20,857
Light Regional Council	83,210	5,389	6,206	88,802	6,959
Lower Eyre Pen Dc	101,159	6,478	270	143,480	19,451
Loxton Waikerie District	58,928	5,531	1,516	52,519	4,767
Mallala District	76,569	1,643	423	60,653	7,436
Marion City	127,624	15,091	2,036	82	5,672
Mid Murray Council	123,165	4,450	756	59,318	17,749
Mitcham City	167,956	9,168	1,297	627	7,897
Mount Barker District	101,782	11,542	1,142	33,842	8,999
Mount Gambier City	78,274	13,440	2,462	263	5,103
Mount Remarkable District	52,303	4,361	127	95,362	5,813
Murray Bridge District	68,035	9,994	3,748	21,118	7,120
Naracoorte Lucindale Dc	55,665	8,431	861	177,271	5,743
Northern Areas Council	39,673	6,689	659	166,629	3,663
Norwood, Payneham And St. Peters	193,591	36,763	2,535	13	10,845
Onkaparinga City	103,403	7,059	1,537	6,789	6,596
Orroroo/Carrieton District	32,868	3,392	257	113,761	3,183
Peterborough Dc	33,265	4,568	319	29,322	2,283
Playford City	65,824	8,643	2,078	10,876	4,400
Port Adelaide Enfield	113,433	20,018	9,662	46	9,452
Port Augusta City	70,552	11,201	313	792	5,197
Port Lincoln City	99,998	19,415	3,448	929	10,624
Port Pirie City And Districts	58,065	7,078	1,040	14,261	4,095
Prospect City	174,686	15,060	170	-	3,669
Renmark Paringa District	60,958	8,097	1,405	38,690	2,646
Robe District	260,069	20,492	2,124	201,301	48,823
Roxby Downs Municipality	124,330	12,735	211	-	11,124
Salisbury City	88,395	11,095	2,843	651	5,517
Southern Mallee District	28,187	6,022	262	145,061	2,861
Streaky Bay District	68,328	9,638	295	64,105	16,024
Tatiara District	40,744	7,255	1,665	182,210	4,790
Tea Tree Gully City	115,109	9,353	819	781	3,821
Tumby Bay District	87,595	9,909	163	139,272	13,389
Unley City	221,212	23,333	322	2	9,268
Victor Harbor District	170,262	13,889	679	23,110	26,883
Wakefield Regional Council	46,833	6,879	753	160,285	4,765
Walkerville Town	273,749	8,177	-	-	12,763
Wattle Range Council	59,182	5,710	6,894	155,819	5,097
West Torrens City	139,051	22,718	5,904	96	7,768
Whyalla City	67,378	9,117	798	430	3,184
Wudinna District	22,676	10,311	58	100,332	2,428
Yankalilla District	190,883	9,938	620	87,572	38,791
Yorke Peninsula District	155,298	7,029	732	166,577	13,945
State	122,230	15,386	2,459	18,834	8,365

APPENDIX VIII – Units of Measure by function - Expenditure

Data sourced from Councils and the Australian Bureau of Statistics as at 30 June 2008.

<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 5-49 years
Adelaide City	8,548	1,884	949	1,338	619,056	12,600
Adelaide Hills Council	12,259	4,522	7,654	716	339,094	23,649
Alexandrina Council	10,552	4,479	3,792	179	274,130	11,220
Barossa Council	7,470	3,217	4,263	496	137,918	12,878
Barunga West District	1,430	557	433	71	63,000	1,276
Berri Barmera Council	3,910	1,761	2,303	221	171,219	6,667
Burnside City	18,276	8,230	6,763	490	341,778	24,112
Campbelltown City	19,664	8,830	7,926	356	214,602	28,489
Ceduna District	1,198	402	849	57	62,300	2,252
Charles Sturt City	45,763	19,475	16,518	713	722,786	60,547
Clare And Gilbert Valleys Dc	2,802	1,463	1,619	226	146,905	4,701
Cleve District	615	300	412	30	19,500	1,123
Coober Pedy	1,232	307	321	35	1,999	1,029
Coorong District	1,889	923	1,208	131	83,343	3,292
Copper Coast District	6,817	2,773	2,095	178	145,535	6,140
Elliston District	515	151	259	33	22,983	705
Flinders Ranges Council	739	351	363	42	27,255	906
Franklin Harbour District	553	226	269	21	41,765	708
Gawler Town	8,001	3,391	3,773	389	98,326	12,014
Goyder Regional Council	1,445	765	823	54	49,895	2,334
Grant District	2,284	877	1,842	146	49,365	5,210
Holdfast Bay City	16,982	7,666	4,265	474	287,282	18,769
Kangaroo Island Council	2,711	666	866	168	31,703	2,539
Karoonda East Murray District	353	224	219	13	55,910	622
Kimba District	321	224	207	36	14,036	644
Kingston District	1,131	455	433	37	69,500	1,264
Light Regional Council	3,773	1,311	2,991	212	65,439	8,386
Lower Eyre Pen Dc	1,580	581	990	26	66,633	2,765
Loxton Waikerie District	4,157	1,999	2,473	252	62,727	6,915
Mallala District	2,469	745	1,808	150	6,048	5,423
Marion City	35,210	13,801	13,306	650	456,179	48,891
Mid Murray Council	4,908	1,526	1,370	233	43,325	4,324
Mitcham City	24,864	10,797	10,834	731	497,742	37,169
Mount Barker District	9,113	2,927	6,180	503	201,245	18,018
Mount Gambier City	10,596	3,458	5,019	288	98,731	15,203
Mount Remarkable District	1,321	529	538	45	-	1,493
Murray Bridge District	7,098	3,009	3,693	238	142,005	11,122
Naracoorte Lucindale Dc	2,615	1,156	1,696	174	38,058	5,216
Northern Areas Council	1,558	892	973	45	50,900	2,626
Norwood, Payneham And St. Peters	16,308	6,386	4,746	557	179,982	21,298
Onkaparinga City	60,225	19,039	30,861	1,322	1,085,099	97,357
Orroroo/Carrieton District	357	222	162	26	18,560	461
Peterborough Dc	951	397	365	59	13,285	984
Playford City	26,910	8,916	16,879	616	330,118	48,153
Port Adelaide Enfield	47,378	17,137	18,429	1,178	665,009	65,925
Port Augusta City	6,004	1,729	3,008	241	122,287	8,873
Port Lincoln City	6,103	2,098	3,082	203	101,658	8,959
Port Pirie City And Districts	7,422	3,130	3,738	265	96,064	10,154
Prospect City	8,563	2,574	3,435	198	116,874	13,188
Renmark Paringa District	3,357	1,545	2,055	173	53,759	5,816
Robe District	1,154	267	259	27	36,000	785
Roxby Downs Municipality	1,466	21	1,102	44	60,000	3,353
Salisbury City	48,077	13,857	25,473	1,074	605,068	81,500
Southern Mallee District	633	355	483	29	21,800	1,252
Streaky Bay District	896	308	461	30	42,752	1,194
Tatiara District	1,857	948	1,564	169	128,829	4,472
Tea Tree Gully City	37,031	12,170	18,616	669	403,932	62,102
Tumby Bay District	1,018	599	444	31	48,250	1,301
Unley City	16,094	5,737	5,826	528	323,955	22,886
Victor Harbor District	6,817	4,100	1,763	253	129,083	5,268
Wakefield Regional Council	2,221	1,085	1,344	180	150,326	3,735
Walkerville Town	3,094	1,507	1,054	55	64,502	3,916
Wattle Range Council	4,619	1,830	2,610	147	175,030	7,396
West Torrens Cty	24,989	10,314	7,828	714	229,407	32,941
Whyalla City	10,448	3,011	4,703	203	87,976	13,933
Wudinna District	386	191	305	29	27,540	794
Yankalilla District	2,862	974	703	81	73,201	2,108
Yorke Peninsula District	8,680	2,866	1,947	143	178,127	5,354

<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 City	133	-	133	-	-	-
Adelaide Hills Council	208	400	208	6	471	9
Alexandrina Council	239	284	239	22	771	24
Barossa Council	142	194	142	11	549	71
Barunga West District	33	41	33	7	884	93
Berri Barmera Council	69	190	69	1	117	38
Burnside City	234	-	234	-	5	0
Campbelltown City	260	-	260	-	0	-
Ceduna District	37	35	37	4	1,378	257
Charles Sturt City	576	-	576	3	-	0
Clare And Gilbert Valleys Dc	78	138	78	13	1,415	188
Cleve District	21	37	21	8	1,215	117
Coober Pedy	25	3	25	30	101	264
Coorong District	55	280	55	11	1,540	1
Copper Coast District	154	106	154	47	509	129
Elliston District	22	22	22	8	960	136
Flinders Ranges Council	18	-	18	13	895	337
Franklin Harbour District	18	53	18	-	828	37
Gawler Town	130	27	130	5	19	2
Goyder Regional Council	68	82	68	34	2,844	227
Grant District	31	425	31	3	824	319
Holdfast Bay City	176	-	176	-	-	-
Kangaroo Island Council	53	186	53	57	1,018	51
Karoonda East Murray District	8	84	8	6	1,153	48
Kimba District	12	68	12	10	991	637
Kingston District	40	83	40	4	552	57
Light Regional Council	66	90	66	29	1,212	59
Lower Eyre Pen Dc	43	83	43	18	1,104	132
Loxton Waikerie District	69	322	69	16	1,713	200
Mallala District	69	56	69	50	646	137
Marion City	479	-	479	0	-	-
Mid Murray Council	74	245	74	28	2,054	987
Mitcham City	384	15	384	1	1	2
Mount Barker District	157	167	157	17	348	31
Mount Gambier City	192	8	192	-	1	0
Mount Remarkable District	21	68	21	23	1,523	433
Murray Bridge District	143	250	143	8	550	25
Naracoorte Lucindale Dc	82	408	82	3	1,083	41
Northern Areas Council	63	63	63	32	1,769	275
Norwood, Payneham And St. Peters	161	-	161	-	-	-
Onkaparinga City	966	251	966	9	214	2
Orroroo/Carrieton District	19	24	19	7	883	698
Peterborough Dc	32	8	32	7	800	386
Playford City	431	238	431	1	102	6
Port Adelaide Enfield	671	-	671	4	-	-
Port Augusta City	139	39	139	30	110	93
Port Lincoln City	145	6	145	4	3	2
Port Pirie City And Districts	183	136	183	11	636	213
Prospect City	89	-	89	-	-	-
Renmark Paringa District	50	258	50	5	133	51
Robe District	29	13	29	2	336	56
Roxby Downs Municipality	29	6	29	-	4	-
Salisbury City	720	22	720	3	4	-
Southern Mallee District	25	76	25	7	1,079	144
Streaky Bay District	37	28	37	12	1,432	219
Tatiara District	82	422	82	13	1,194	225
Tea Tree Gully City	562	17	562	2	8	6
Tumby Bay District	31	21	31	4	959	95
Unley City	168	-	168	-	-	-
Victor Harbor District	131	111	131	11	125	2
Wakefield Regional Council	68	124	68	8	2,175	314
Walkerville Town	36	-	36	-	-	-
Wattle Range Council	144	364	144	36	1,357	561
West Torrens Cty	297	-	297	0	-	-
Whyalla City	197	14	197	6	58	3
Wudinna District	18	63	18	7	1,259	357
Yankalilla District	52	76	52	3	364	48
Yorke Peninsula District	163	288	163	60	3,147	237

<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 City	17,704	15,521	-	21,516	1,288	11
Adelaide Hills Council	12,890	35,546	-	18,216	1,360	29
Alexandrina Council	11,068	22,351	3	17,948	1,880	58
Barossa Council	8,131	21,545	-	12,167	1,069	30
Barunga West District	1,492	2,799	-	2,817	134	-
Berri Barmera Council	4,346	12,043	5	6,573	307	-
Burnside City	19,318	37,271	-	21,632	680	6
Campbelltown City	20,297	46,722	-	22,538	1,352	21
Ceduna District	1,364	3,873	3	2,446	109	-
Charles Sturt City	48,976	105,357	-	54,090	3,302	-
Clare And Gilbert Valleys Dc	3,177	8,709	-	7,075	535	29
Cleve District	700	1,969	1	1,658	57	-
Coober Pedy	1,350	2,175	-	1,969	43	-
Coorong District	2,056	6,201	4	4,769	258	1
Copper Coast District	7,253	13,216	1	11,189	825	-
Elliston District	571	1,190	1	1,515	48	-
Flinders Ranges Council	794	1,913	-	2,240	76	-
Franklin Harbour District	589	1,405	-	1,256	78	2
Gawler Town	8,484	20,435	-	10,069	872	9
Goyder Regional Council	1,612	4,495	-	4,896	133	10
Grant District	2,398	8,427	-	5,834	379	1
Holdfast Bay City	18,343	32,790	1	21,401	1,214	3
Kangaroo Island Council	2,920	4,668	1	5,769	336	33
Karoonda East Murray District	387	1,232	-	1,451	39	-
Kimba District	374	1,175	-	1,056	21	-
Kingston District	1,226	2,515	1	2,640	123	-
Light Regional Council	4,133	12,829	-	7,438	697	36
Lower Eyre Pen Dc	1,679	4,703	3	3,739	270	2
Loxton Waikerie District	4,506	12,802	1	8,566	363	-
Mallala District	2,539	8,588	-	4,729	375	3
Marion City	36,891	81,436	-	41,160	2,892	11
Mid Murray Council	5,098	9,069	12	10,789	662	12
Mitcham City	26,109	57,340	-	29,193	1,864	21
Mount Barker District	9,862	27,222	-	14,167	1,246	75
Mount Gambier City	11,695	25,897	-	13,331	691	1
Mount Remarkable District	1,409	3,058	1	3,452	115	9
Murray Bridge District	7,653	20,343	5	11,237	778	110
Naracoorte Lucindale Dc	2,947	8,532	-	6,595	274	27
Northern Areas Council	1,724	5,021	-	4,496	192	16
Norwood, Payneham And St. Peters	18,567	32,518	-	20,557	1,136	-
Onkaparinga City	63,236	157,148	1	73,992	4,813	49
Orroroo/Carrieton District	404	986	-	1,628	21	1
Peterborough Dc	1,037	2,234	-	1,937	39	-
Playford City	27,917	80,825	-	33,954	2,802	9
Port Adelaide Enfield	51,685	112,977	-	59,058	3,682	-
Port Augusta City	6,463	15,270	3	7,784	544	9
Port Lincoln City	6,886	15,125	2	8,461	439	1
Port Pirie City And Districts	7,944	19,448	5	10,814	578	7
Prospect City	9,165	18,586	-	10,006	537	-
Renmark Paringa District	3,653	10,557	1	5,513	304	5
Robe District	1,251	1,465	1	2,538	122	-
Roxby Downs Municipality	1,564	3,698	-	1,833	203	-
Salisbury City	50,416	130,992	-	55,992	3,564	20
Southern Mallee District	723	2,288	-	1,999	77	-
Streaky Bay District	978	2,229	1	2,455	120	-
Tatiara District	2,135	7,277	-	4,976	182	16
Tea Tree Gully City	38,488	95,854	-	41,655	2,270	5
Tumby Bay District	1,092	2,836	2	2,343	140	-
Unley City	17,583	33,202	-	19,262	1,214	47
Victor Harbor District	7,242	13,210	-	10,350	778	30
Wakefield Regional Council	2,424	7,058	-	5,739	227	54
Walkerville Town	3,212	6,313	-	3,596	355	-
Wattle Range Council	5,027	13,216	-	9,775	433	-
West Torrens City	27,295	53,711	-	30,702	1,439	15
Whyalla City	11,074	24,169	3	12,027	840	-
Wudinna District	456	1,412	-	1,334	30	-
Yankalilla District	3,006	4,535	2	5,491	421	35
Yorke Peninsula District	9,072	12,509	12	14,331	836	-

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 General Financial Assistance Grants to Local Government in Australia.
- ii) Further information particularly with regard to the general methodology is also available in the 1974, 1975, 1976 and 1977 reports of the Commonwealth Grants Commission dealing with financial assistance for Local Government, the Report of the National Inquiry into Local Government Finance (Self Report) published in 1985¹ and the 1991 report of the Commonwealth Grants Commission on the Distribution of General Purpose Grants for Local Government.²
- iii) The following is a summary of important events since the commencement of the Commonwealth's involvement in the provision of financial assistance to Local Government:
- *Commonwealth Grants Commission Act, 1973* - Commonwealth Grants Commission 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.

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

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

- *May 1977* - Special report by Commonwealth Grants Commission concerned with the interstate distribution of funds, which established an apportionment of funds between the States and increased the share of funds to South Australia to 8.6010 per cent from 1 July 1977.
- *May 1984* - Commonwealth Government set up National Inquiry into Local Government Finance, chaired by Professor Peter Self.
- *May 1985* - Commonwealth Local Government (Personal Income Tax Sharing) Act amended to provide for an increase in funding for 1985-86 based on the 1984-85 allocation adjusted for any changes in the Consumer Price Index in the year ended March 1986, plus a 2 per cent real increase.
- *October 1985* - Self Inquiry report presented to Commonwealth Government.
- *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.

APPENDIX X - 2008 General Information, Supplementary Return & Financial Statements

The South Australian Local Government Grants Commission would like to extend its sincere thanks to those local governments who submitted their 2008 General Information, Supplementary Returns and their Audited Financial Statements by the due date of 30 November 2008 and thereby facilitated the timely determination of grants.

The Local Governments responsible are:-

- | | |
|--------------------------|---------------------------|
| 1. Adelaide City | 21. Mount Gambier |
| 2. Alexandrina | 22. Murray Bridge |
| 3. Barunga West | 23. Northern Areas |
| 4. Burnside | 24. Playford |
| 5. Campbelltown | 25. Port Adelaide Enfield |
| 6. Ceduna | 26. Port Pirie |
| 7. Charles Sturt | 27. Robe |
| 8. Cleve | 28. Salisbury |
| 9. Coorong | 29. Tatiara |
| 10. Copper Coast | 30. Tea Tree Gully |
| 11. Flinders Ranges | 31. Tumby Bay |
| 12. Gawler | 32. Unley |
| 13. Holdfast Bay | 33. Victor Harbor |
| 14. Karoonda/East Murray | 34. Wakefield Regional |
| 15. Kimba | 35. Wattle Range |
| 16. Kingston District | 36. West Torrens |
| 17. Lower Eyre Peninsula | 37. Whyalla |
| 18. Marion | 38. Wudinna |
| 19. Mid Murray | 39. Yankalilla |
| 20. Mount Barker | |

APPENDIX XI - Financial Statements

SA LOCAL GOVERNMENT GRANTS COMMISSION

FINANCIAL STATEMENTS

For the year ended

30 June 2009

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SA LOCAL GOVERNMENT GRANTS COMMISSION
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2009

	Note	2009 \$' 000	2008 \$' 000
Expenses			
Employee benefits costs	5	477	414
Supplies and services	6	154	150
Grants and subsidies	7	190	16
Total expenses		821	580
Income			
Revenue from fees and charges	9	20	20
Interest revenue	10	139	155
Other income	11	-	6
Total income		159	181
Net cost of providing services		662	399
Revenues from SA Government			
Revenues from SA Government	12	452	441
Net result		(210)	42
Total comprehensive result		(210)	42

The net result and comprehensive result are attributable to the SA Government as owner

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2009

	Note	2009 \$' 000	2008 \$' 000
Current assets			
Cash	13	463	619
Receivables	14	4	15
Total current assets		467	634
Total assets		467	634
Current Liabilities			
Payables	15	25	42
Employee benefits	16	61	51
Total current liabilities		86	93
Non-current liabilities			
Payables	15	10	5
Employee benefits	16	96	51
Total non-current liabilities		106	56
Total liabilities		192	149
Net assets		275	485
Equity			
Retained earnings		275	485
Total equity		275	485

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

Unrecognised contractual commitments	17
Contingent assets and liabilities	18

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

SA LOCAL GOVERNMENT GRANTS COMMISSION
STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2009

	Retained earnings	Total
	\$'000	\$'000
Balance at 30 June 2007	443	443
Total comprehensive result for 2007-08	42	42
Balance at 30 June 2008	485	485
Total comprehensive result for 2008-09	(210)	(210)
Balance at 30 June 2009	275	275

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

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

SA LOCAL GOVERNMENT GRANTS COMMISSION
STATEMENT OF CASH FLOWS
For the Year Ended 30 June 2009

	Note	2009 \$' 000	2008 \$' 000
		Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities			
Cash outflows			
Employee benefit payments		(416)	(356)
Payment for supplies and services		(172)	(137)
Payments of grants and subsidies		(190)	-
Cash used in operations		(778)	(493)
Cash inflows			
Fees and charges		20	20
Interest received		146	155
Other receipts		-	6
Cash generated from operations		166	181
Cash Flows From SA Government			
Receipts from SA Government		456	439
Net cash (used in)/provided by operating activities	19	(156)	127
Net (decrease)/increase in cash		(156)	127
Cash at 1 July		619	492
Cash at 30 June	13	463	619

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

SA LOCAL GOVERNMENT GRANTS COMMISSION

**NOTES TO &
FORMING PART OF
THE FINANCIAL STATEMENTS**

Financial Year Ended 30 June 2009

SA LOCAL GOVERNMENT GRANTS COMMISSION

Note 1 Objectives of the SA Local Government Grants Commission

The SA 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.

Note 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 the applicable Australian Accounting Standards and Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

Except for the amendments to AASB 101 Presentation of Financial Statements (September 2007 version) including AASB 2007-08 and AASB 2007-10 (these standards make consequential amendments to other standards as a result of the revised AASB 101), which the Commission has early adopted, 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 2009. Refer to Note 4.

b) Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management 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, these are outlined in the applicable notes; and
- accounting policies are 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; and
- 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, that 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. A threshold of \$100,000 for separate identification of these items applies;
 - b) expenses incurred as a result of engaging consultants (as reported in the Statement of Comprehensive Income);
 - c) employees whose normal remuneration is \$100 000 or more (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees; and
 - d) Commission member and remuneration information, where a 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 valuation policy applicable.

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

The financial statements have been prepared based 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 2009 and the comparative information presented.

c) Reporting Entity

The South Australian Local Governments Grants Commission was established by the *South Australian Local Governments 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 21.

d) Transferred Functions

There have been no transferred functions to or from the Commission during 2008-09.

However, the Public Sector Management (Department of Planning and Local Government - Transfer of Employees) Proclamation 2008 (dated 30 October 2008) proclaimed that effective from 3 November 2008 the Office for State and Local Government Relations would transfer to the Department of Planning and Local Government. All existing functions of the Office for State and Local Government Relations, including its administered item the SA Local Government Grants Commission, were transferred to the Department of Planning and Local Government.

e) Comparative Information

The presentation and classification of items in the financial statements are consistent with prior periods except where adjusted to reflect the early adoption of AASB 101 *Presentation of Financial Statements* and specific revised accounting standards and accounting policy statements.

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required eg preparation of a single Statement of Comprehensive Income.

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

f) Rounding

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

g) Taxation

The Commission is not subject to income tax. The Commission is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy, land tax equivalents and local government rate equivalents.

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, 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; and
- . receivables and payables, which are stated with the amount of GST included.

The net amount of the GST receivable/payable to the Australian Taxation Office 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 Planning and Local Government is responsible for the remittance and collection of GST.

There are no cash flows relating to GST transactions with the Australian Taxation Office 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 Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

h) Events after the end of the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

i) 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 notes accompanying the financial statements disclose income where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Transactions with SA Government entities below the threshold of \$100 000 have been included with the non-government transactions, classified according to their nature.

The following are specific recognition criteria:

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.

Fees and charges

Revenues from fees and charges are derived from the provision of goods and services to other SA Government agencies and to the public. This revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

Administered grants revenue

Grants revenue from the Commonwealth Government is recognised when the Commission obtains control over the grants. Control over the grants is normally obtained upon receipt.

j) 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 notes accompanying the financial statements disclose expenses where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Transactions with SA Government entities below the threshold of \$100 000 have been included with the non-government transactions, classified according to their nature.

The following are specific recognition criteria:

Employee benefits costs

Employee benefit expenses includes all cost 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 current 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

Grants and subsidies recognised as a liability and expense when the entity has a present obligation to pay the contribution and the expense recognition criteria are met.

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

Administered grants expense

Administered grants expenses are recognised when paid.

k) 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 normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line item's combined amounts are expected to be realised within twelve months and more than twelve months, the Commission has separately disclosed the amounts expected to be recovered or settled after more than twelve months.

l) 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.

Where an asset line item's combined amount is expected to be settled within twelve months and more than twelve months, the Commission has separately disclosed the amounts expected to be recovered after more than twelve months.

The notes accompanying the financial statements disclose financial assets where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Cash

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

For the purposes 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, GST input tax credits recoverable, 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 due 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.

m) 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.

Where a liability line item's combined amount is expected to be settled within twelve months and more than twelve months, the Commission has separately disclosed the amounts expected to be settled after more than twelve months.

The notes accompanying the financial statements disclose financial liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

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 and superannuation contributions on 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 any contributions due but not yet paid to the South Australian Superannuation Board.

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 salary and wages are measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability is expected to be payable within twelve months and is measured at the undiscounted amount expected to be paid. Where salary 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.

Long service leave

The liability for long service leave is recognised after an employee has completed 6.5 years of service. An actuarial assessment of long service leave undertaken by the Department of Treasury and Finance based on a significant sample of employees throughout the South Australian public sector determined that the liability measured using the short hand method was not materially different from the liability measured using the present value of expected future payments. This calculation is consistent with the Commission's experience of employee retention and leave taken.

The unconditional portion of the long service leave provision is classified as current as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of long service leave relates to an unconditional legal entitlement to payment arising after ten years of service.

n) 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 Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

Note 3 Financial risk management

The Commission has a low level of non-interest bearing and interest bearing assets (deposits with the Treasurer) and liabilities. The Commission's exposure to market risk and cash flow interest risk is minimal.

Credit risk

Credit risk arises when there is the possibility of the Commission's debtors defaulting on their contractual obligations resulting in financial loss to the Commission. The Commission measures credit risk on a fair value basis and monitors risk on a regular basis.

The Commission has minimal concentration of credit risk. The Commission has policies and procedures in place to ensure transactions occur with customers with appropriate credit history.

Liquidity risk

Liquidity risk arises where the Commission is unable to meet its financial obligations as they fall due. The continued existence of the Commission is dependent on State Government policy and on continuing appropriations by Parliament for the Commission's administration and programs. The Commission settles undisputed accounts within 30 days from the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

The Commission's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

Note 4 New and revised accounting standards and policies**Issued or amended but not yet effective**

Except for the amendments to AASB 101 Presentation of Financial Statements, which the Commission has early-adopted, the 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 2009. 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.

SA LOCAL GOVERNMENT GRANTS COMMISSION

5 Employee benefit expenses

	2009	2008
	\$' 000	\$' 000
Salaries and wages	288	250
Annual leave	31	35
Long service leave	54	31
Employment on-costs - superannuation	36	33
Employment on-costs - other	22	20
Commission fees	46	45
Total employee benefits costs	477	414

Targeted voluntary separation packages (TVSPs)

There were no TVSPs paid to employees during the reporting period.

Remuneration of employees

	2009	2008
	Number of Employees	Number of Employees
The number of employees whose total remuneration received or receivable falls within the following bands:		
\$110 000 - \$119 999	-	1
\$130 000 - \$139 999	1	-
Total number of employees	1	1

The table includes all employees who received remuneration of \$100,000 or more during the year. Remuneration of employees reflects all costs of employment including salaries and wages, superannuation contributions, fringe benefits tax and any other salary sacrifice benefits. The total remuneration received by the above employees for the year was \$131 890.

6 Supplies and services

	2009	2008
	\$' 000	\$' 000
Supplies and services provided by entities within SA Government		
Professional and technical services ⁽¹⁾	48	41
Utility and Property Costs	30	29
Computing and Communication Costs	4	4
Vehicle and equipment operating costs	13	3
Total supplies and services - SA Government entities	95	77
Supplies and services provided by entities external to the SA Government		
Professional and technical services	37	49
Administrative and operating costs	8	11
Travel	12	11
Staff development and safety	2	2
Total supplies and services - Non SA Government entities	59	73
Total supplies and services	154	150

(1) Includes audit fees paid/payable to the Auditor-General (refer Note 8).

The number and dollar amount of Consultancies paid (included in supplies and services expense) that fell within the following band:

	2009	2009	2008	2008
	Number	\$' 000	Number	\$' 000
Between \$10,000 and \$50,000	-	-	1	23
Total paid to the consultant engaged	-	-	1	23

7 Grants and subsidies

	2009	2008
	\$' 000	\$' 000
Grants and subsidies paid/payable to entities external to the SA Government		
Asset Management Financial Assistance	190	16
Total grants and subsidies - Non SA Government entities	190	16

8 Auditor's remuneration

	2009	2008
	\$' 000	\$' 000
Audit fees payable to the Auditor-General's Department for 2008-09	8	17
Under accrued audit fees for previous year	3	-
Total audit fees	11	17

Other services

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

9 Revenues from fees and charges		
	2009	2008
	\$' 000	\$' 000
User charges and fees received/receivable from entities within SA Government		
Consultancy and service fees	20	20
Total fees and charges	20	20

10 Interest revenues		
	2009	2008
	\$' 000	\$' 000
Interest from entities within the SA Government	139	155
Total interest	139	155

11 Other revenues/income		
	2009	2008
	\$' 000	\$' 000
Other income received/receivable from entities external to SA Government		
Other	-	6
Total other income	-	6

12 Revenues from SA Government		
	2009	2008
	\$' 000	\$' 000
Revenues from SA Government		
Appropriations from Consolidated Account pursuant to the Appropriation Act	452	441
Total revenues from SA Government	452	441

Appropriation for the 'Administered Items for the Department of Planning and Local Government' is received into a special deposit account and paid across as an intra-government transfer to the Local Government Grants Commission. The Local Government Grants Commission receives appropriation in accordance with the Appropriation Act for the financial year.

13 Cash		
	2009	2008
	\$' 000	\$' 000
Deposits with the Treasurer	463	619
Total cash	463	619

Interest rate risk

Cash on hand is non-interest bearing. Deposits at call and with the Treasurer are bearing a floating interest rate between 2.99% (May 2009) and 7.10% (August 2008). The carrying amount of cash and cash equivalents approximates fair value.

14 Receivables		
	2009	2008
	\$' 000	\$' 000
Current		
Receivables	-	4
Accrued interest on deposits	4	11
Total current receivables	4	15

Interest rate and credit risk

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Trade receivables, prepayments and accrued revenues are non-interest bearing.

Other than as recognised in the provision for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Bad and doubtful debts

There were no bad debts or doubtful debts recognised during the year (2008: nil).

15 Payables

	2009	2008
	\$' 000	\$' 000
Current		
Creditors	-	1
Accrued expenses	15	32
Employment on-costs	10	9
Total current payables	25	42
Non-current		
Employment on-costs	10	5
Total non-current Payables	10	5
Total payables	35	47

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the percentage of the proportion of long service leave taken as leave is 45% and the average factor for the calculation of employer superannuation cost on-cost is 11.61%, as determined by actual employee super rates. These rates are used in the employment oncost calculation.

Interest rate risk

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days. Employment on-costs are settled when the related employee benefit that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

16 Employee benefits

	2009	2008
	\$' 000	\$' 000
Current		
Annual leave	46	41
Long service leave	5	4
Accrued salaries and wages	10	6
Total current employee benefits	61	51
Non-current		
Long service leave	96	51
Total non-current employee benefits	96	51
Total employee benefits	157	102

The total current and non-current employee liability (i.e. aggregate employee benefits in Note 16 plus related on-costs in Note 15) for 2009 is \$177,000 (2008: \$116,000).

Based on an actuarial assessment performed by the Department of Treasury and Finance, the benchmark for the measurement of the long service leave liability is 6.5 years (2008: 6.5 years).

17 Commitments**Remuneration commitments**

Commitments for the payment of salaries and other remuneration under fixed-term employment contracts in existence at the reporting date but not recognised as liabilities are payable as follows:

	2009	2008
	\$' 000	\$' 000
Within one year	141	136
Later than one year but not longer than five years	349	474
Total remuneration commitments	490	610

Amounts disclosed include commitments arising from executive and other service contracts. The department does not offer fixed-term remuneration contracts greater than five years.

Other commitments

Within one year	9	9
Later than one year but not longer than five years	8	16
Total other commitments	17	25

Other commitments include agreements with Fleet SA for long term hire of light vehicles

18 Contingent assets and contingent liabilities

The SA Local Government Grants Commission is not aware of any contingent assets or liabilities.

19 Cash flow reconciliation

	2009	2008
	\$' 000	\$' 000
Reconciliation of cash – cash at year end as per:		
Statement of Cash Flows	463	619
Statement of Financial Position	463	619
Reconciliation of net cash provided by operating activities to net cost of providing services:		
Net cash (used in)/provided by operating activities	(156)	127
Less: Revenue from SA Government	(452)	(441)
Changes in assets/liabilities		
(Decrease)/Increase in receivables	(11)	1
Decrease/(Increase) in payables and provisions	12	(35)
(Increase) in employee benefits	(55)	(51)
Net cost of providing services	(662)	(399)

20 Remuneration of commission members

Members of the SA Local Grants Commission were:
 Germein M
 Patetsos M
 Ross J

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

	2009	2008
	\$' 000	\$' 000
\$10 000 - \$19 999	2	3
\$20 000 - \$29 999	1	-
Total number of members	3	3

Remuneration of members reflects all costs of performing member's duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$50,630 (2008: \$48,763). There are no members who are government employees.

Total amount paid to a superannuation plan for commission members was \$4,180 (2008: \$4,026).

In accordance with the Department of Premier and Cabinet Circular No.016, government employees did not receive any remuneration for commission duties during the financial year.

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

21 Disclosure of administered items

	2009	2008
	\$' 000	\$' 000
Administered revenues		
Total Commonwealth receipts		
Commonwealth Financial Assistance Grants	163,223	122,560
Commonwealth Roads to Recovery Grants	4,287	5,713
Commonwealth Specific Purpose Grants	14,267	13,592
Total administered revenues	181,777	141,865
Administered expenses		
Total Commonwealth payments		
Local Government Financial Assistance Grants	163,223	122,560
Local Government Roads to Recovery Grants	4,287	6,765
Commonwealth Specific Purpose Grants	14,267	13,592
Total administered expenses	181,777	142,917
Net operating surplus	-	(1,052)
Cash held at the commencement of the year	1,028	2,080
Cash held at the end of the year	1,028	1,028

During 2008-09, an additional \$33 million funding was received and distributed for projects which were designated to commence in 2009-10.

22 Events after balance date

No events have occurred after balance date that would affect the financial statements of the SA Local Government Grants Commission as at 30 June 2009.

SA LOCAL GOVERNMENT GRANTS COMMISSION

Certification of the Financial Statements

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

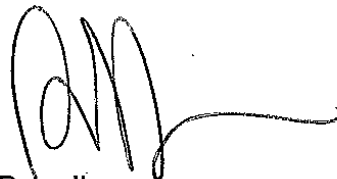
- comply with relevant Treasurer's instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and any relevant Australian accounting standards;
- are in accordance with the accounts and records of the Commission; and
- presents a true and fair view of the financial position of the SA Local Government Grants Commission as at 30 June 2009 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the SA 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.



Malcolm Germein
Chairperson
SA Local Government
Grants Commission

29 March 2010



Peter Ilee
Executive Officer
SA Local Government
Grants Commission

30 March 2010

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

Auditor-General's Department

9th Floor
State Administration Centre
200 Victoria Square
Adelaide SA 5000
DX 56208
Victoria Square
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

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

As required by section 31 of the *Public Finance and Audit Act 1987*, I have audited the accompanying financial statements of the South Australian Local Government Grants Commission for the financial year ended 30 June 2009. The financial statements comprise:

- A Statement of Comprehensive Income
- A Statement of Financial Position
- A Statement of Changes in Equity
- A Statement of Cash Flows
- Notes to the Financial Statements
- A Certificate from the Chairperson and the Executive Officer.

The Responsibility of the South Australian Local Government Grants Commission for the Financial Report

The Commission is responsible for the preparation and the fair presentation of the financial statements in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements 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 complies with relevant ethical requirements relating to audit engagements and plans and performs the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 Commission, as well as the overall presentation of the financial statements.

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

Auditor's Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the South Australian Local Government Grants Commission as at 30 June 2009, and 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* and Australian Accounting Standards.



S O'Neill
AUDITOR-GENERAL
6 April 2010