



Local Government Grants Commission
South Australia

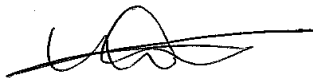
Annual Report
2010 - 11

The Honourable Russell Wortley MLC
Minister for State/Local Government Relations
Parliament House
ADELAIDE SA 5000

Dear Minister

As Chair of the South Australian Local Government Grants Commission appointed under the *South Australian Local Government Grants Commission Act 1992*, I have pleasure in presenting you with the Commission's Annual Report for 2010-11.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Mary Patetsos', written over a horizontal line.

Mary Patetsos
CHAIR

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CHAIR'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* (the Act).

In 2010-11, the Commission made recommendations on the distribution of Financial Assistance Grants for 2011-12 totalling over \$145 million. Of this, \$109.5 million was provided for general purpose grants and \$36.4 million provided for identified road grants. This represents an increase in general purpose grants from the previous year of 3.83 percent and an increase in identified road grants of 4.28 percent over the previous year.

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

The Commission endeavours to continually improve its methodology in allocating funds to local governing authorities and work continued during 2010-11 assessing the impacts of growth during, the impact of traffic volumes on local roads, expenditure assessments for libraries and sport and recreation and an analysis of the costs of airports and airstrips to local government.

The Commission continued its investigations into the effects of growth on local government during 2010-11. This work built on investigations commenced in 2009-10 and included further analysis of the costs of growth to local government, more in depth consultation with the sector and analysis of the Commonwealth Grants Commission's current methodology.

Further analysis of the issue of traffic volumes has continued the Commission's efforts to recognise the effects of traffic volumes on local roads. Inconsistent data and widely varying road hierarchy characteristics across councils have made it very difficult to get a clear picture of the impacts of traffic volumes.

Investigations into the costs of airstrips and airports run by councils revealed that, on average, councils realise a profit from these activities. This issue will be investigated further in the coming review. Consultation during council meetings has led to changes in the Sport and Recreation Expenditure Assessment. The Unit of Measure (or cost driver) has been expanded from the number of residents of a council aged between 5 and 49 years of age to the number of residents aged between 5 and 64 years of age.

The Commission has also had significant issues with the consistency of data relating to libraries. Data collected has shown large inconsistencies across 3 year periods and the Commission are concerned about the validity of data provided. The assessment of libraries, on both the Revenue and Expenditure side of the Commissions calculations has been removed for 2011-12, while further work is done to provide analyse data supplied.

In view of the conclusions of the investigations into the effects of growth, the complexities of including traffic volumes, the issues identified above with airports and airstrips and further discussions with the Commonwealth Grants Commission, the Commission have widened its analysis of the current methodology and propose to undertake a full review during the 2011-12 and 2012-13 financial years. The existing methodology, although modified over time, has been in place since 1998-99.

The Commission recommended no council receive a decreased grant in 2011-12 greater than minus 5%, and increases in grant were capped at 12%. This approach has ensured that the outcomes of the expenditure review in 2006-07 were phased into the grant allocation process in the following years, which aims 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, the State Government and other government organisations for planning and reporting services and the Commission continued to work closely with these organisations during 2010-11.

Further work was undertaken throughout 2010-11 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 acknowledge 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.

The Commission's work is supported by resources provided by the Department of Planning and Local Government (DPLG) and staff provided to the Commission are State Government Employees. In line with a review of the relationship between the Commission and the Department and a reduction in departmental resources, the Commission continued under the terms of a Service Level Agreement with DPLG which commenced in 2009-10. Staff committed to support the Commission include our Executive Officer, Peter Ilee and one part-time Project Officer, Lyn Skouborg. Other staff were provided to the Commission by negotiation with the Department, as needed and Thi Le from DPLG has provided valuable support in managing an upgrade of the Commission's database and the Supplementary Return.

Following Malcolm Germein's retirement and my appointment to the role of Chair, the Commission have been very lucky to engage the services of Jane Gascoigne as the Minister's Nominee. As the Commission's previous Executive Officer, Jane has brought a wealth of experience to her role as Commissioner.

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

MARY PATETSOS
CHAIR

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 term of up to five years. At the conclusion of this time members are eligible for renomination.

Members during 2010-11 were:

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

For member profiles see *Appendix I*.

Location

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

Staff

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

Additional support for the Commission is provided as needed by the Department under the terms of a Service Level Agreement. Staff supporting the Commission are employees of the Department of Planning and Local Government. Thi Le, of the Department of Planning and Local Government has provided additional support to the Commission during 2010-11.

Purpose

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

Reporting Arrangements and Funding

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

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 2010-11. In accordance with Section 9 of the Act an information statement is provided at *Appendix II*.

CHAPTER 2 - COMMISSION ACTIVITIES 2010-11

Grant Allocation

The total 2010-11 allocation of \$139,657,480 was increased following the end of the financial year by \$637,564 after adjustment for CPI and population. This increase will be passed on to councils in the four quarterly instalments during 2011-12. The actual allocation figure, which includes the adjusted 2010-11 allocations, is shown in *Appendix III*.

For 2011-12 the Commission made recommendations on the distribution of \$145,823,485 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 \$109,472,478, an increase of 3.83 percent on 2010-11. The identified local road component was \$36,351,007, an increase of 4.28 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 2011-12 Financial Assistance Grants during 2010-11 in accordance with a request from the Commonwealth. On 24 June 2011, \$36,365,481 was forwarded by the Grants Commission to local governing authorities in South Australia.

Methodology Review (ongoing refinement)

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

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

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

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

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

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

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

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

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

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

took into account four of the five factors the Commission believed were influencing councils' road reconstruction and maintenance costs.

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

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

Following further research, 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.

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

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

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

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

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

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

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

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

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

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

Information Collection and Storage

The Commission maintains an electronic database for calculating grants and for providing information to councils and other users. The current database contains information including data from annual financial statements and supplements to those statements dating back to 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, 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.) and other data collected from Commonwealth and State Government agencies.

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

- Councils;
- The Local Government Association;
- The Government of South Australia;

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

During 2010-11, the Commission continued work with the Department of Planning and Local Government on the development of a new database for data collected by the Commission and the Department. A module for storage of the Supplementary Return data was completed during 2010-11 and further work for the General Information Return is underway.

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

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

Council Visits

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

During 2010-11, the Commission increased its efforts to catch up on its visiting program. Commission members and staff attended 17 meetings at the councils listed below. These visits included a visit to the South East Regional Local Government Association meeting in April 2011, to meet to a group of Councils, the first attempt by the Commission to address a group of Councils instead of a single Council. The Minister for State/Local Government Relations accompanied the Commission on visits to Councils and Communities in November 2011. In addition to these meetings the Grants Commission Executive Officer met with some Chief Executive Officers and Finance Managers to discuss methodological issues.

<p>Visited in November 2010</p> <p>Nipapanha Aboriginal Community Municipal Council of Roxby Downs District Council of Coober Pedy Anangu Pitjantjatjara Aboriginal Community</p>	<p>Visited in March 2011</p> <p>Berri Barmera Council Gerard Aboriginal Community District Council of Loxton Waikerie Renmark Paringa Council</p>	<p>Visited in April 2011</p> <p>Naracoorte Lucindale Council District Council of Robe Tatiara District Council Wattle Range Council</p>
<p>Visited in February 2011</p> <p>Clare and Gilbert Valleys Council Goyder Regional Council Northern Areas Council Port Pirie Regional Council</p>	<p>Visited in April 2011</p> <p>Coorong District Council District Council of Grant Kingston District Council City of Mount Gambier</p>	<p>Visited in May 2011</p> <p>Alexandrina Council City of Victor Harbor District Council of Yankalilla Kangaroo Island Council</p>

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. 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, the Supplementary Local Road Funding and the Commonwealth's Roads to Recovery Program. Formal reporting of funding allocations is contained within *Chapter 6* of this report.

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

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

For 2011-12, \$5.45 million will be allocated to specific projects under the Financial Assistance Grants program, \$2.44 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 \$12.15 million will be allocated for 2011-12.

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 Mr Peter Ilee (Executive Officer, SA Local Government Grants Commission). The Committee's Executive Officer is Mr Silvio Visentin, a Senior Project Officer of the Department of Transport, Energy and Infrastructure.

Matters Referred By the Minister

Under Section 20 of the State Act, the Minister for State/Local Government Relations may refer matters to the Commission for report. There were no references to the Commission under this section during 2010-11.

The Year Ahead

The Commission endeavours to continually improve its methodology in allocating funds to local governing authorities. The Commission have undertaken to conduct a major review of the current methodology over a two year period commencing in 2011-12.

The review proposes to undertake a review of both the revenue and expenditure assessments of the current methodology. This includes the following:

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

- Reviewing the current funding arrangements for the 5 Aboriginal Communities and the Outback Communities Authority; and
- Reviewing the distribution of the Identified Local Road Grants.

Working with the Department of Planning and Local Government, the Commission will continue to provide assistance to the development of its new database. Development of the database commenced in 2009-10 to provide a new platform for the Supplementary Return and was run in parallel with the old system for the 2009-10 data collection. For the 2010-11 data collection, the Supplementary Return data is to be stored entirely on the new system and work commenced to put the same platform in place for the General Information Return and other data collected by the Commission. This work will continue into 2011-12.

Collection and dissemination of South Australia's Local Government Finance Statistics will again be a major focus in 2011-12. 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.

The Commission has formed a stronger collaborative relationship with the LGA during 2010-11 and introduced a number of strategies to improve its data collection and reduce its reliance on the Australian Bureau of Statistics. This will continue into 2011-12.

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 2011-12 and respond to changes in grant funding in line with the National Principles as necessary.

The Commission will also continue with its council visiting program in 2011-12, with an increased number of visits planned following the 2010 local government elections. 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.

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 2011-12 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 2011-12 has increased in line with estimated inflation and the underlying growth in Commonwealth General Purpose payments to the States.

Entitlements for all States for 2010-11 and for 2011-12 are set out in Tables 1 and 2.

TABLE 1 - Commonwealth General Purpose Financial Assistance for Local Government, State and Territory Entitlements 2010-11 and 2011-12

State	2010-11						
	Proportion (%)	Original Allocation (Estimate) (\$mill)	Advance Payment Paid in 2009-10 (\$mill)	Revised Allocation (Estimate) (\$mill)	Adjustment (\$mill)	Brought Forward F from 2011-12 (\$mill)	Allocation Actual (\$mill)
New South Wales	3,158.10	462.02	114.47	347.55	1.46	120.28	463.48
Victoria	2,413.71	353.57	87.94	265.63	1.29	92.35	354.85
Queensland	1,964.27	288.16	72.00	216.17	0.76	75.24	288.92
Western Australia	996.98	146.36	36.65	109.72	0.26	38.29	146.62
South Australia	717.50	104.91	25.95	78.96	0.53	27.30	105.43
Tasmania	221.93	32.44	8.02	24.42	0.17	8.42	32.61
Northern Territory	100.00	14.66	3.66	11.00	0.07	3.82	14.73
Australian Capital Territory	155.85	22.81	5.66	17.15	0.08	5.96	22.88
TOTAL	9,728.34	1,424.94	354.34	1,070.60	4.60	371.66	1,429.54

State	2011-12					% change 10/11 to 11/12 (%)
	Proportion (%)	Allocation (Estimate) (\$mill)	Brought Forward Pmt Paid in 2010-11 (\$mill)	Allocation Plus Advance Payment (\$mill)	Cash Payment (\$mill)	
New South Wales	3,160.35	362.07	120.28	482.36	363.53	4.07
Victoria	2,427.12	278.10	92.35	370.45	279.38	4.39
Queensland	1,976.75	226.47	75.24	301.71	227.23	4.42
Western Australia	1,006.70	115.36	38.29	153.65	115.62	4.79
South Australia	717.25	82.17	27.30	109.47	82.70	3.83
Tasmania	221.32	25.36	8.42	33.78	25.52	3.58
Northern Territory	100.00	11.45	3.82	15.26	11.52	3.59
Australian Capital Territory	157.12	18.02	5.96	23.98	18.09	4.80
TOTAL	9,766.61	1,119.00	371.66	1,490.65	1,123.60	4.28

TABLE 2 - Commonwealth Identified Local Road Grants for Local Government, State and Territory Entitlements 2010-11 and 2011-12

State	2010-11						
	Proportion (%)	Original Allocation (Estimate) (\$mill)	Advance Payment Paid in 2009-10 (\$mill)	Revised Allocation (Estimate) (\$mill)	Adjustment (\$mill)	Brought Forward F from 2011-12 (\$mill)	Allocation Actual (\$mill)
New South Wales	1,238.56	183.45	45.62	137.83	0.59	47.85	184.04
Victoria	880.11	130.35	32.42	97.94	0.42	34.00	130.78
Queensland	799.85	118.47	29.46	89.01	0.38	30.90	118.85
Western Australia	652.73	96.68	24.04	72.64	0.31	25.22	96.99
South Australia	234.61	34.75	8.64	26.11	0.11	9.06	34.86
Tasmania	226.23	33.51	8.33	25.17	0.11	8.74	33.61
Northern Territory	100.00	14.81	3.68	11.13	0.05	3.86	14.86
Australian Capital Territory	136.89	20.27	5.04	15.23	0.07	5.29	20.34
TOTAL	4,268.98	632.29	157.23	475.05	2.04	164.92	634.33

State	2011-12					% change 10/11 to 11/12 (%)
	Proportion (%)	Allocation (Estimate) (\$mill)	Brought Forward Pmt Paid in 2010-11 (\$mill)	Allocation Plus Advance Payment (\$mill)	Cash Payment (\$mill)	
New South Wales	1,238.56	144.06	47.85	191.91	144.65	4.28
Victoria	880.11	102.37	34.00	136.37	102.79	4.28
Queensland	799.85	93.03	30.90	123.93	93.41	4.28
Western Australia	652.73	75.92	25.22	101.14	76.23	4.28
South Australia	234.61	27.29	9.06	36.35	27.40	4.28
Tasmania	226.23	26.31	8.74	35.05	26.42	4.28
Northern Territory	100.00	11.63	3.86	15.49	11.68	4.28
Australian Capital Territory	136.89	15.92	5.29	21.21	15.99	4.28
TOTAL	4,268.98	496.53	164.92	661.45	498.57	4.28

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 2011-12 allocations there were 68 councils, the Outback Communities Authority and five Aboriginal communities eligible for grants.

CHAPTER 4 - National Principles, General Purpose & Road Grants

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

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

General Purpose National Principles

(i) Horizontal Equalisation

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

(ii) Effort Neutrality

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

(iii) Minimum Grant

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

(iv) Other Grant Support

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

(v) Aboriginal Peoples and Torres Strait Islanders

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

(vi) Council Amalgamation

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

Identified Road Component National Principle

(vii) Identified Road Component

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

CHAPTER 5 - METHODOLOGY

General Purpose Grant

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

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

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

Formulae

General financial assistance

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

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

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

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

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

G = council's calculated relative need assessment

P = population

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

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

RRI = Revenue Relativity Index. CRI = Cost Relativity Index (previously known as the disability factor). They are centred around 1.00, 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, (\$19.97 for 2011-12), 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 2011-12 grants, the Commission constrained changes to councils between positive 12% and minus 5%. 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 5-64 years from the ABS Census and estimated resident population
Sealed Roads – Built-Up ⁵	Reported expenditures ¹	Kilometres of built-up sealed road as reported in GIR
Sealed Roads - Non-built-up ⁵	Reported expenditures ¹	Kilometres of non-built-up sealed road as reported in GIR
Sealed Roads - Footpaths etc	Reported expenditures ¹	Kilometres of built-up sealed road as reported in GIR
Unsealed Roads – Built-up ⁵	Reported expenditures ¹	Kilometres of built-up unsealed road as reported in GIR
Unsealed Roads - Non-built-up ⁵	Reported expenditures ¹	Kilometres of non-built-up unsealed road as reported in GIR
Unformed Roads ⁵	Reported expenditures ¹	Kilometres of unformed road as reported in GIR Roads
Stormwater Drainage Maintenance 2,3	Reported expenditures ¹	Number of urban properties ⁴
Community Support	Reported expenditures ¹	3yr average population * SEIFA Advantage Disadvantage CRI
Jetties 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. 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 = 1644582

Function	Standard in Dollars	Unit of Measure per Capita	Total Units of Measure	Unit of Measure
Expenditure Functions				
Waste Management	148.40	0.40817	660,171	No of residential properties
Aged Care Services	114.08	0.15468	250,170	Population aged more than 65
Services To Families And Children	47.18	0.17902	289,537	Population aged 0 to 14
Health Inspection	306.92	0.01212	19,603	Establishments to inspect
Libraries	-	-	-	Number of visitors
Sport and Recreation	109.94	0.78634	1,271,810	Population aged 5 to 49
Sealed Roads - Built Up	8,257.13	0.00640	10,346	Kilometres of sealed builtup
Sealed Roads - Non Built Up	8,257.13	0.00452	7,306	Kilometres of sealed non-builtup
Sealed Roads - Footpaths etc	10,603.83	0.00640	10,346	Kilometres of sealed builtup
Unsealed Roads - Built Up	1,421.22	0.00045	733	Kilometres of formed and surfaced, and natural surface formed builtup road
Unsealed Roads - Non Built Up	1,421.22	0.02910	47,061	Kilometres of formed and surfaced, and natural surface formed non-builtup road
Roads - Unformed	273.38	0.00560	9,056	Kilometres of natural surfaced unformed road
Stormwater Drainage - Maintenance	53.16	0.44086	713,034	No of urban, industrial and commercial properties including exempt
Community Support	29.00	0.99980	1,617,062	3yr average population * SEIFA Advantage Disadvantage CRI
Jetties and Wharves	10,003.28	0.00005	76	Number of jetties and wharves
Public Order and Safety	16.98	0.56182	908,674	Total no of properties
Planning And Building Control	798.68	0.03344	54,093	No of new developments and additions
Bridges	4,517.54	0.00053	863	Number of bridges
Other Special Needs	1.00	27.76950	44,913,900	Total of dollars attributed
Revenue Functions				
Rates - residential	0.0029	140,102	225,693,045,749	Valuation of residential
- commercial	0.0055	17,631	28,515,771,676	Valuation of commercial
- industrial	0.0084	2,730	4,415,544,173	Valuation of industrial
- rural	0.0030	19,709	31,519,832,676	Valuation of rural
- other	0.0022	9,697	15,683,115,379	Valuation of other
Subsidies	1.00	19.05220	30,814,692	The total of the subsidies

Calculated standards by function

The Commission uses the above table to enable it to calculate a council's raw grant for each of the given functions. This is done by calculating each individual council's unit of measure per capita, comparing it with the similar figure from the table and then multiplying the difference by the standard from the table and its own population. If *CRIs* are applicable then they must be included as a multiplier against the council's unit of measure per capita.

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

Aggregated Revenue and Expenditure Grants

Component grants for all revenue categories and expenditure functions, calculated for each council using the method outlined above, are aggregated to give each council's total raw grant figure. Where the raw grant calculation per head of population for a council is less than the per capita minimum established as set out in the Act, (\$19.97 for 2011-12), 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 2011-12 grants, the Commission constrained changes between positive 12% and minus 5%. An iterative process is then undertaken until the full allocation is determined.

Identified Local Road Grant

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

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

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

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

Outback Communities Authority

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

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

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

Due to the lack of comparable data, the Commission is not able to calculate the grant to the Authority in the same manner as grants to other local governing bodies. Rather, a per capita grant has been established. The 2011-12 per capita general purpose grant is \$372.70.

Aboriginal Communities

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

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

Again, due to the unavailability of data, grants for these communities are not calculated in the same manner as grants to other local governing bodies. Initially, the Commission utilised the services of a consultant, Alan Morton, of Morton Consulting Services, who completed a study on the expenditure needs of the communities and their revenue raising capacities. Comparisons were made with communities in other states and per capita grants were established. Grants have gradually been increased since the initial study. For 2011-12 the per capita grant varied from \$266.90 for Nipapanha Community to \$1,440.60 for Yalata Community.

CHAPTER 6 – GRANT ALLOCATIONS FOR 2011-12

Local Government Authority	Population as at 30-Jun-10	General Purpose Grant (\$)	Identified Road Grant (\$)	Special Local Road Grant (\$)	Total Estimated Grant (\$)
Adelaide	19,876	396,924	214,587		611,511
Adelaide Hills	40,072	800,238	659,745		1,459,983
Alexandrina	23,868	563,492	514,588		1,078,080
Barossa	22,908	457,473	422,654		880,127
Barunga West	2,634	354,349	184,735		539,084
Berri Barmera	11,270	2,274,657	203,987		2,478,644
Burnside	44,449	887,647	443,295		1,330,942
Campbelltown	49,716	992,829	489,249		1,482,078
Ceduna	3,834	2,159,968	410,578		2,570,546
Charles Sturt	108,332	2,163,390	1,078,328		3,241,718
Clare & Gilbert Valleys	8,882	443,538	355,810		799,348
Cleve	1,916	952,796	330,685	443,000	1,726,481
Cooper Pedy	1,928	833,162	44,099		877,261
Coorong	5,805	2,143,827	613,646		2,757,473
Copper Coast	13,144	1,630,410	283,990	12,000	1,926,400
Elliston	1,154	739,858	379,121		1,118,979
Flinders Ranges	1,793	1,151,568	278,143	681,000	2,110,711
Franklin Harbour	1,369	985,779	237,429		1,223,208
Gawler	21,041	1,022,021	267,678		1,289,699
Goyder	4,287	2,524,022	625,016		3,149,038
Grant	8,270	823,409	312,683		1,136,092
Holdfast Bay	35,923	717,382	343,080		1,060,462
Kangaroo Island	4,661	1,370,976	367,390	647,000	2,385,366
Karoonda East Murray	1,172	1,164,732	315,018		1,479,750
Kimba	1,133	956,571	279,845		1,236,416
Kingston	2,477	583,378	232,791		816,169
Light	13,984	279,260	373,344		652,604
Lower Eyre Peninsula	4,921	407,524	377,238		784,762
Loxton Waikerie	12,073	3,270,249	683,362	618,000	4,571,611
Mallala	8,535	973,621	230,628	188,000	1,392,249
Marion	85,398	1,705,398	870,238		2,575,636
Mid Murray	8,599	3,074,587	600,255		3,674,842
Mitcham	65,692	1,311,869	697,826		2,009,695
Mount Barker	30,540	609,884	489,402	1,100,000	2,199,286
Mount Gambier	26,128	1,891,176	359,698	208,000	2,458,874
Mount Remarkable	2,966	1,594,563	338,130		1,932,693

Local Government Authority	Population as at 30-Jun-10	General Purpose Grant (\$)	Identified Road Grant (\$)	Special Local Road Grant (\$)	Total Estimated Grant (\$)
Murray Bridge	19,577	3,081,327	421,926		3,503,253
Naracoorte Lucindale	8,530	1,895,897	447,910	116,000	2,459,807
Northern Areas	4,843	1,221,036	375,056		1,596,092
Norwood, Payneham & St. Peters	36,498	728,865	334,135		1,063,000
Onkaparinga	162,925	5,990,126	2,129,480		8,119,606
Orroroo Carrieton	931	838,159	236,251	375,000	1,449,410
Peterborough	1,969	1,298,110	229,167		1,527,277
Playford	79,850	7,697,165	1,111,635	518,000	9,326,800
Port Adelaide Enfield	113,257	2,261,742	1,189,984		3,451,726
Port Augusta	14,784	2,844,453	270,034		3,114,487
Port Lincoln	14,726	945,249	207,711		1,152,960
Port Pirie	18,255	4,075,442	404,157		4,479,599
Prospect	21,105	421,467	189,479		610,946
Renmark Paringa	9,897	2,353,859	208,643		2,562,502
Robe	1,502	29,995	101,009		131,004
Roxby Downs	4,478	89,426	66,178		155,604
Salisbury	132,473	7,338,261	1,366,003		8,704,264
Southern Mallee	2,172	1,084,744	372,518		1,457,262
Streaky Bay	2,203	1,388,478	426,614	474,000	2,289,092
Tatiara	7,194	2,023,272	522,246		2,545,518
Tea Tree Gully	100,593	2,008,842	1,053,491		3,062,333
Tumby Bay	2,762	542,297	243,363		785,660
Unley	38,767	774,177	352,279	73,000	1,199,456
Victor Harbor	13,971	279,001	234,153		513,154
Wakefield	6,856	1,523,250	465,593		1,988,843
Walkerville	7,408	147,938	70,554		218,492
Wattle Range	12,623	1,589,405	511,059		2,100,464
West Torrens	56,169	1,121,695	554,807		1,676,502
Whyalla	23,214	4,123,569	370,661		4,494,230
Wudinna	1,365	1,304,387	365,536		1,669,923
Yankalilla	4,661	105,569	140,366		245,935
Yorke Peninsula	11,782	1,385,313	756,529		2,141,842
Outback Communities Authority	3,656	1,362,573			1,362,573
Anangu Pitjantjatjara Yankunytjatjara	2,438	1,076,810	136,626		1,213,436
Gerard Cty Council	82	42,024	18,203		60,227
Maralinga Tjarutja	110	87,808	48,881		136,689
Nipapanha Community Inc.	101	26,957	18,124		45,081
Yalata Community Inc.	105	151,263	39,355		190,618
STATE TOTAL	1,644,582	109,472,478	30,898,007	5,453,000	145,823,485

APPENDIX I - Member profiles

Mary Patetsos BSW Grad Dip Sociology, JP

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). Current positions include Director ACH Group since 2009; Board Member Greek Community of SA – Ridleyton Nursing Home since 2004; Board Member SA Housing Trust, 2005, including Chair of Housing Audit and Finance Committees; Social Inclusion Board – SA since 2007 and the National Housing Supply Council since 2010. Mary is also a Director on numerous not for profit Boards including Director for Common Ground Adelaide and Power Community Limited and Chair of the Robinson Foundation.

John Ross, Cr

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

Jane Gascoigne, BBus BEd

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

APPENDIX II - Freedom of Information Act 1991

Statement Section 9

Structure and functions of the Commission

Refer Chapter 1 of this report.

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

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

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

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

Categories of documents

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

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

Information is stored both electronically and on hard copy.

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

Facilities for access and initial contact point

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

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

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

APPENDIX III - Final allocations for 2010-11

Local Government Authority	2010-11 Actual General Purpose Grant \$	2010-11 Actual Road Grant \$	2010-11 Special Road Grant \$	2010-11 Total Actual Grant \$
Adelaide	378,712	210,433		589,145
Adelaide Hills	776,199	636,470	250,000	1,662,670
Alexandrina	503,118	488,241		991,359
Barossa	438,506	403,990		842,496
Barunga West	325,091	183,414		508,505
Berri Barmera	2,198,995	197,162		2,396,157
Burnside	862,833	427,977		1,290,810
Campbelltown	959,848	471,612		1,431,461
Ceduna	2,097,873	393,806		2,491,678
Charles Sturt	2,083,946	1,033,888		3,117,834
Clare & Gilbert Valleys	396,016	341,097		737,113
Cleve	914,984	317,650	766,000	1,998,634
Cooper Pedy	764,369	42,430		806,798
Coorong	2,083,704	590,226		2,673,930
Copper Coast	1,655,238	271,041		1,926,279
Elliston	751,125	364,341		1,115,466
Flinders Ranges	1,056,484	267,180		1,323,664
Franklin Harbour	904,384	227,962		1,132,346
Gawler	937,634	255,729	399,000	1,592,363
Goyder	2,315,617	600,620		2,916,236
Grant	755,421	306,435	175,000	1,236,856
Holdfast Bay	695,000	330,665		1,025,665
Kangaroo Island	1,370,976	352,772	800,000	2,523,748
Karoonda East Murray	1,095,537	302,849	190,000	1,588,386
Kimba	877,588	268,726		1,146,314
Kingston	590,801	223,735		814,536
Light	266,017	356,029		622,046
Lower Eyre Peninsula	373,875	361,502		735,377
Loxton Waikerie	3,000,229	657,421	767,000	4,424,649
Mallala	893,231	220,635		1,113,866
Marion	1,638,838	835,194		2,474,031
Mid Murray	2,820,722	576,186		3,396,908
Mitcham	1,272,144	671,787		1,943,930
Mount Barker	581,662	465,791	1,070,000	2,117,453
Mount Gambier	1,735,024	337,433		2,072,457
Mount Remarkable	1,462,902	324,849		1,787,751

Local Government Authority	2010-11 Actual General Purpose Grant \$	2010-11 Actual Road Grant \$	2010-11 Special Road Grant \$	2010-11 Total Actual Grant \$
Murray Bridge	2,886,599	405,333		3,291,932
Naracoorte Lucindale	1,739,355	430,739		2,170,094
Northern Areas	1,120,217	361,001		1,481,217
Norwood, Payneham & St. Peters	703,667	321,390		1,025,057
Onkaparinga	6,175,387	2,040,362	175,000	8,390,749
Orroroo Carrieton	768,953	227,032		995,986
Peterborough	1,200,051	220,346	27,000	1,447,397
Playford	7,585,286	1,050,693		8,635,979
Port Adelaide Enfield	2,170,814	1,140,538		3,311,353
Port Augusta	2,887,769	259,923		3,147,692
Port Lincoln	867,201	199,900		1,067,101
Port Pirie	3,841,971	388,332		4,230,303
Prospect	407,265	182,351		589,616
Renmark Paringa	2,159,504	201,534		2,361,038
Robe	28,826	96,915		125,740
Roxby Downs	87,335	64,268		151,603
Salisbury	7,724,489	1,304,893		9,029,381
Southern Mallee	1,035,984	358,168		1,394,152
Streaky Bay	1,273,833	409,375		1,683,208
Tatiara	1,856,213	501,475	353,000	2,710,688
Tea Tree Gully	1,950,724	1,011,136		2,961,859
Tumby Bay	550,555	233,959		784,514
Unley	749,185	339,321		1,088,506
Victor Harbor	265,044	222,254		487,298
Wakefield	1,397,477	446,707	240,000	2,084,184
Walkerville	142,922	67,926		210,848
Wattle Range	1,458,169	491,605		1,949,774
West Torrens	1,083,314	534,226		1,617,540
Whyalla	4,186,365	356,890		4,543,255
Wudinna	1,263,959	350,587		1,614,546
Yankalilla	107,177	134,380		241,557
Yorke Peninsula	1,278,053	727,188		2,005,241
				-
Outback Communities Authority	1,312,312			1,312,312
Anangu Pitjantjatjara Yankunytjatjara	1,037,089	131,101		1,168,191
Gerard Cty Council	40,474	17,467		57,941
Maralinga Tjarutja	84,569	46,905		131,474
Nipapanha Community Inc.	25,962	17,391		43,353
Yalata Community Inc.	145,683	37,764		183,447
STATE TOTAL	105,434,391	29,648,653	5,212,000	140,295,044

APPENDIX IV - Road lengths by council by surface type at 30 June 2010

(Road length data includes laneways)

Council name	Sealed	Formed	Unformed	TOTAL
Adelaide	127	0	0	127
Adelaide Hills	608	475	9	1,091
Alexandrina	537	782	24	1,342
Barossa	337	558	71	966
Barunga West	75	796	109	980
Berri Barmera	259	117	38	414
Burnside	234	5	0	239
Campbelltown	254	0	0	254
Ceduna	77	1380	257	1,714
Charles Sturt	568	1	0	570
Clare & Gilbert Valleys	218	1421	187	1,826
Cleve	67	1212	116	1,396
Cooper Pedy	29	129	263	421
Coorong	342	1541	1	1,884
Copper Coast	274	552	128	954
Elliston	44	967	136	1,148
Flinders Ranges	21	904	336	1,262
Franklin Harbour	82	816	37	935
Gawler	160	20	2	183
Goyder	155	2867	226	3,248
Grant	469	813	316	1,598
Holdfast Bay	178	1	0	179
Kangaroo Island	242	1070	51	1,362
Karoonda East Murray	97	1154	48	1,299
Kimba	83	997	636	1,716
Kingston	126	558	60	744
Light	167	1231	59	1,457
Lower Eyre Peninsula	135	1117	116	1,368
Loxton Waikerie	409	1707	200	2,316
Mallala	134	687	136	957
Marion	471	0	0	471
Mid Murray	337	2063	984	3,384
Mitcham	396	6	2	404
Mount Barker	332	365	30	726
Mount Gambier	197	1	0	198
Mount Remarkable	91	1541	432	2,064

Council name	TOTAL			
Murray Bridge	407	546	21	975
Naracoorte Lucindale	487	1087	41	1,614
Northern Areas	134	1789	274	2,197
Norwood, Payneham & St. Peters	170	0	0	170
Onkaparinga	1245	198	3	1,446
Orroroo Carrieton	45	886	696	1,628
Peterborough	40	805	385	1,230
Playford	688	98	6	792
Port Adelaide Enfield	662	4	0	667
Port Augusta	181	135	92	409
Port Lincoln	149	7	2	158
Port Pirie	330	633	212	1,175
Prospect	90	0	0	90
Renmark Paringa	307	138	51	496
Robe	42	337	56	435
Roxby Downs	34	4	0	39
Salisbury	743	7	0	750
Southern Mallee	115	1077	144	1,336
Streaky Bay	76	1436	219	1,731
Tatiara	503	1204	225	1,932
Tea Tree Gully	579	10	6	595
Tumby Bay	51	962	95	1,108
Unley	170	0	0	170
Victor Harbor	241	134	2	377
Wakefield	191	2178	313	2,681
Walkerville	36	0	0	36
Wattle Range	511	1389	559	2,460
West Torrens	292	0	0	292
Whyalla	220	126	3	349
Wudinna	81	1272	354	1,707
Yankalilla	128	367	48	542
Yorke Peninsula	457	3193	236	3,887
TOTAL	17,737	47,876	9,056	74,669

APPENDIX V –Cost Relativity Indices - 2011-12 Financial Assistance Grants

	Sealed Built-up Roads	Sealed Non- Built-up Roads	Unsealed Built- up Roads	Unsealed Non- Built-up Roads	Unformed Roads	Waste Management	Stormwater Maintenance
Adelaide	1.02	0.96	1.00	1.00	1.00	0.97	1.00
Adelaide Hills	1.04	1.07	1.17	1.08	1.14	1.03	0.92
Alexandrina	0.91	0.98	1.02	1.03	1.04	1.05	0.91
Barossa	1.00	1.03	1.03	1.03	1.05	1.07	0.92
Barunga West	0.87	0.92	0.98	0.98	1.00	1.00	0.90
Berri Barmera	1.05	0.99	1.00	1.05	1.05	1.05	0.92
Burnside	1.14	0.96	0.99	0.93	0.90	1.01	0.96
Campbelltown	1.24	0.96	1.00	1.00	1.00	1.00	0.95
Ceduna	0.89	0.95	1.01	1.01	1.00	1.12	0.90
Charles Sturt	0.93	0.97	1.00	1.00	1.00	0.97	1.08
Clare & Gilbert Valleys	1.01	0.98	0.99	1.00	1.04	1.07	0.92
Cleve	0.87	0.92	0.98	0.98	1.00	0.98	0.94
Coober Pedy	0.90	0.94	0.98	0.98	1.00	1.12	0.84
Coorong	0.90	0.95	1.00	1.00	1.02	1.11	0.95
Copper Coast	0.87	0.92	0.98	0.98	1.00	1.01	0.92
Ellistown	0.84	0.83	0.96	0.95	0.92	1.31	0.94
Flinders Ranges	0.86	1.04	0.97	0.94	0.92	1.15	0.87
Franklin Harbour	0.87	0.92	0.99	0.98	1.00	1.05	0.93
Gawler	0.90	1.00	1.01	1.04	1.11	1.00	0.98
Goyder	0.89	0.91	0.99	0.99	1.00	1.12	0.89
Grant	0.88	0.86	0.98	0.94	0.93	1.09	0.96
Holdfast Bay	1.09	0.98	1.00	1.00	1.00	0.97	1.07
Kangaroo Island	0.94	0.99	1.00	1.03	0.99	1.15	0.91
Karoonda East Murray	0.87	0.90	0.98	0.98	0.99	1.26	0.87
Kimba	0.87	0.92	0.98	0.99	1.00	1.05	0.92
Kingston	1.03	1.03	1.00	0.96	1.06	1.05	0.95
Light	0.85	0.94	0.98	0.99	1.02	1.08	0.98
Lower Eyre Peninsula	0.91	0.95	0.98	0.99	1.00	1.19	0.95
Loxton Waikerie	0.88	0.98	0.98	0.99	0.98	1.14	0.90
Mallala	0.84	0.90	0.98	0.98	1.00	1.14	0.95
Marion	1.08	0.96	0.98	0.98	1.00	0.98	0.98
Mid Murray	1.05	1.08	1.09	1.03	1.02	1.03	0.88
Mitcham	1.11	0.99	0.94	0.98	1.01	1.00	0.96
Mount Barker	0.96	0.99	0.98	1.00	1.03	1.06	1.00
Mount Gambier	0.81	0.79	0.99	0.89	0.90	0.98	1.00
Mount Remarkable	0.88	0.93	0.99	0.99	0.99	1.10	0.87
Murray Bridge	0.86	1.01	1.00	1.01	1.03	1.06	0.98
Naracoorte Lucindale	0.96	1.11	1.03	1.07	1.18	1.05	0.95
Northern Areas	0.88	0.92	1.01	1.01	1.01	1.05	0.91
Norwood, Payneham & St. Peters	1.19	0.96	1.00	1.00	1.00	0.98	0.95
Onkaparinga	1.00	1.04	0.99	1.02	1.06	0.99	0.99
Orroroo Carrieton	0.87	0.90	0.98	0.97	0.96	1.18	0.85
Peterborough	0.88	0.91	1.00	1.00	0.96	1.01	0.89
Playford	1.10	1.03	1.07	1.01	1.05	0.97	1.08
Port Adelaide Enfield	1.05	0.97	1.19	1.00	1.00	0.98	1.15
Port Augusta	0.87	0.90	0.98	0.98	1.00	1.00	0.92
Port Lincoln	0.78	0.89	0.95	0.99	0.95	1.00	0.98
Port Pirie	0.88	0.91	1.00	1.01	1.00	0.99	1.07
Prospect	0.97	0.97	1.00	1.00	1.00	0.98	0.99
Renmark Paringa	1.22	1.20	1.21	1.08	1.09	0.99	0.99
Robe	0.98	0.94	0.98	1.04	1.07	1.02	0.94
Roxby Downs	0.88	0.90	0.99	0.98	1.00	0.97	0.91
Salisbury	1.05	0.96	1.12	1.05	1.00	0.98	1.01
Southern Mallee	0.88	0.95	1.01	1.00	0.97	1.09	0.90
Streaky Bay	0.76	0.82	0.95	0.95	0.96	0.99	0.90
Tatiara	1.06	1.07	1.15	1.04	1.05	1.03	0.92
Tea Tree Gully	1.08	1.07	1.07	1.01	1.08	0.98	0.96
Tumby Bay	0.88	0.93	1.01	1.01	1.00	1.07	0.94
Unley	1.26	0.97	1.00	1.00	1.00	0.98	0.98
Victor Harbor	0.88	0.95	0.94	0.98	0.92	1.01	1.00
Wakefield	0.88	0.90	1.00	1.01	1.00	1.06	0.92
Walkerville	1.06	0.96	1.00	1.00	1.00	0.97	0.97
Wattle Range	0.98	1.15	1.00	1.04	1.11	1.12	0.99
West Torrens	0.94	0.97	1.00	1.00	1.00	0.98	1.07
Whyalla	0.84	0.89	1.00	1.01	1.00	0.99	0.99
Wudinna	0.88	0.92	1.00	0.98	0.99	1.02	0.88
Yankalilla	0.99	1.08	0.99	1.02	1.05	1.02	0.99
Yorke Peninsula	0.87	0.89	0.99	0.99	0.97	1.09	0.95

APPENDIX VI – Revenue relativity index – 2011-12 Financial Assistance Grants

	SEIFA Index of Economic-Resources	Converted to be centred around 1
Adelaide	951.11	0.973417
Adelaide Hills	1069.99	1.095085
Alexandrina	988.1	1.011275
Barossa	1021.27	1.045223
Barunga West	967.33	0.990017
Berri Barmera	947.31	0.969528
Burnside	1065.01	1.089988
Campbelltown	990.31	1.013536
Ceduna	920.64	0.942232
Charles Sturt	952.64	0.974983
Clare & Gilbert Valleys	993.95	1.017262
Cleve	1010.93	1.034640
Cooper	894.23	0.915203
Coorong	962.75	0.985330
Copper Coast	936.8	0.958771
Elliston	995.54	1.018889
Flinders Ranges	939.05	0.961074
Franklin Harbour	991.4	1.014652
Gawler	970.07	0.992822
Goyder	967.07	0.989751
Grant	1044.65	1.069151
Holdfast Bay	997.53	1.020926
Kangaroo Island	981.13	1.004141
Karoonda East Murray	999.18	1.022614
Kimba	1016.05	1.039880
Kingston	981.58	1.004602
Light	1043.81	1.068291
Lower Eyre Peninsula	1003.64	1.027179
Loxton Waikerie	968.68	0.991399
Mallala	1027.89	1.051998
Marion	964.74	0.987367
Mid Murray	954.92	0.977316
Mitcham	1038.94	1.063307
Mount Barker	1016.11	1.039941
Mount Gambier	929.33	0.951126
Mount Remarkable	982.3	1.005339
Murray Bridge	928.11	0.949878
Naracoorte Lucindale	995.36	1.018705
Northern Areas	966.66	0.989332
Norwood, Payneham & St. Peters	981.1	1.004110
Onkaparinga	985.26	1.008368
Orroroo Carrieton	979.27	1.002237
Peterborough	867.29	0.887631
Playford	910.3	0.931650
Port Adelaide	909	0.930319
Port Augusta	898.93	0.920013
Port Lincoln	941.06	0.963131
Port Pirie	903.01	0.924189
Prospect	999.75	1.023198
Renmark Paringa	955.91	0.978330
Robe	1014.07	1.037854
Roxby Downs	1075.47	1.100694
Salisbury	960.02	0.982536
Southern Mallee	1000.9	1.024375
Streaky Bay	959.79	0.982301
Tatiara	1008.23	1.031877
Tea Tree Gully	1017.72	1.041589
Tumby Bay	985.66	1.008777
Unley	1025.68	1.049736
Victor Harbor	974.8	0.997663
Wakefield	979.23	1.002197
Walkerville	1039.27	1.063645
Wattle Range	964.48	0.987101
West Torrens	950.11	0.972394
Whyalla	868.22	0.888583
Wudinna	970.6	0.993364
Yankalilla	985.05	1.008153
Yorke Peninsula	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 2009, 2010 and 2011 averaged)

Unit of Measure :	Residential	Commercial	Industrial	Rural	Other
Adelaide	219,049	309,458	957	1	77,814
Adelaide Hills	160,020	5,017	590	44,099	6,541
Alexandrina	159,522	6,573	1,352	63,471	22,776
Barossa	106,954	10,080	10,726	49,493	8,059
Barunga West	117,048	5,108	1,259	198,000	7,582
Berri Barmera	62,052	9,157	2,270	20,114	7,045
Burnside	293,367	18,322	175	116	10,455
Campbelltown	163,298	6,066	593	92	9,115
Ceduna	62,592	11,937	478	19,287	9,379
Charles Sturt	170,120	18,855	3,230	23	7,999
Clare & Gilbert Valleys	80,619	11,240	1,556	147,772	7,734
Cleve	63,130	13,387	36	144,696	5,773
Cooper Pedy	51,614	15,083	49	-	3,594
Coorong	53,910	5,363	380	152,629	7,790
Copper Coast	143,451	12,420	864	23,365	30,347
Elliston	90,563	9,605	117	161,641	13,136
Flinders Ranges	65,779	5,912	365	40,551	9,132
Franklin Harbour	94,550	8,549	326	69,770	17,349
Gawler	106,815	10,992	722	6,264	9,219
Goyder	47,378	4,281	427	166,374	3,283
Grant	66,245	2,758	2,870	181,672	6,212
Holdfast Bay	248,089	21,349	822	-	12,543
Kangaroo Island	143,044	16,047	1,210	133,357	34,483
Karoonda East Murray	23,115	4,803	2,330	161,741	3,497
Kimba	37,789	12,883	-	150,017	5,696
Kingston	113,609	8,104	539	177,578	28,874
Light	96,441	6,757	6,907	93,577	7,254
Lower Eyre Peninsula	112,733	6,426	311	156,992	25,177
Loxton Waikerie	62,252	5,857	1,641	52,616	5,001
Mallala	86,765	1,968	532	67,157	9,681
Marion	152,027	16,580	1,753	76	6,053
Mid Murray	135,442	4,988	790	63,244	19,802
Mitcham	192,108	10,328	1,291	660	8,886
Mount Barker	117,064	13,524	1,213	36,044	10,812
Mount Gambier	86,214	14,696	2,688	449	6,633
Mount Remarkable	68,320	4,625	172	99,390	7,827
Murray Bridge	75,389	11,249	4,186	22,740	9,051
Naracoorte Lucindale	61,186	8,950	1,207	176,877	5,986
Northern Areas	48,118	7,065	698	182,082	4,945
Norwood, Payneham & St. Peters	218,174	40,619	2,517	14	11,395
Onkaparinga	120,743	8,093	1,650	7,239	7,408
Orroroo Carrieton	39,429	3,712	274	117,047	2,787
Peterborough	37,225	4,787	304	29,180	2,531
Playford	77,979	9,300	2,210	12,063	5,608
Port Adelaide Enfield	132,034	24,344	12,094	34	11,306
Port Augusta	80,049	13,852	475	1,134	7,583
Port Lincoln	109,501	21,298	3,515	1,088	11,175
Port Pirie	67,773	9,002	1,201	15,303	5,478
Prospect	196,919	15,934	167	-	4,499
Renmark Paringa	64,126	9,051	1,388	34,016	3,079
Robe	304,784	25,546	1,618	212,103	50,665
Roxby Downs	137,948	17,936	352	-	8,802
Salisbury	103,253	13,406	3,185	697	6,296
Southern Mallee	32,614	6,760	319	163,405	3,473
Streaky Bay	85,060	10,570	369	69,380	21,651
Tatiara	43,673	7,342	1,857	171,852	5,073
Tea Tree Gully	132,338	10,576	893	864	5,005
Tumby Bay	104,465	10,341	195	158,692	14,338
Unley	252,865	26,950	365	2	10,595
Victor Harbor	189,895	15,522	771	24,719	26,259
Wakefield	55,246	7,454	851	169,484	5,500
Walkerville	303,730	9,105	-	-	14,985
Wattle Range	65,992	6,247	7,847	158,358	6,339
West Torrens	161,778	26,174	6,443	92	9,436
Whyalla	77,592	10,930	1,040	498	5,432
Wudinna	27,855	11,029	63	112,738	3,021
Yankalilla	214,769	10,818	570	97,426	40,259
Yorke Peninsula	181,110	8,306	827	178,505	16,533
State	132,315	16,669	2,620	19,279	9,237

APPENDIX VIII – Units of Measure by function - Expenditure

Data sourced from Councils and the Australian Bureau of Statistics as at 30 June 2010.

<i>Function</i> :	Waste Management	Aged Care Services	Services to Families & Children	Health Inspection	Libraries	Sport and Recreation
<i>Unit of Measure</i> :	Number of Residential Properties	Population Aged > 65 years	Population Aged 0-14 years	Establishments to Inspect	Number of Library Visitors	Population Aged 5-64 years
Adelaide	9,014	2,065	982	1,411	-	16,919
Adelaide Hills	12,380	4,912	7,538	1,110	-	32,720
Alexandrina	11,087	4,918	3,967	200	-	17,003
Barossa	7,825	3,500	4,396	525	-	17,716
Barunga West	1,557	542	424	65	-	1,953
Berri Barmera	4,064	1,768	2,185	201	-	8,816
Burnside	18,359	8,456	6,763	369	-	33,876
Campbelltown	19,820	9,070	7,987	352	-	37,551
Ceduna	1,236	431	882	44	-	3,072
Charles Sturt	46,462	19,825	16,654	680	-	81,558
Clare & Gilbert Valleys	3,018	1,525	1,649	212	-	6,672
Cleve	658	324	384	27	-	1,490
Coober Pedy	1,237	364	288	35	-	1,439
Coorong	1,916	999	1,149	134	-	4,486
Copper Coast	7,431	2,968	2,192	165	-	9,202
Elliston	528	177	249	23	-	908
Flinders Ranges	725	389	363	38	-	1,306
Franklin Harbour	581	252	274	21	-	1,026
Gawler	8,237	3,570	3,813	415	-	15,964
Goyder	1,599	789	845	55	-	3,246
Grant	2,334	930	1,861	147	-	6,979
Holdfast Bay	17,106	7,679	4,339	479	-	26,605
Kangaroo Island	2,660	729	881	173	-	3,624
Karoonda East Murray	411	241	221	14	-	872
Kimba	326	227	197	31	-	845
Kingston	1,138	503	385	31	-	1,862
Light	4,085	1,405	3,093	194	-	11,302
Lower Eyre Peninsula	1,690	639	1,021	23	-	3,919
Loxton Waikerie	4,356	2,067	2,382	255	-	9,274
Mallala	2,565	826	1,792	112	-	7,077
Marion	36,152	13,840	13,495	628	-	65,652
Mid Murray	5,067	1,693	1,273	256	-	6,468
Mitcham	25,039	11,328	10,979	762	-	50,412
Mount Barker	9,606	3,185	6,519	651	-	24,565
Mount Gambier	11,008	3,667	4,990	257	-	20,082
Mount Remarkable	1,347	558	530	50	-	2,226
Murray Bridge	7,326	3,185	3,779	227	-	14,910
Naracoorte Lucindale	2,692	1,150	1,710	141	-	6,782
Northern Areas	1,680	945	924	48	-	3,664
Norwood, Payneham & St. Peters	16,443	6,584	4,821	570	-	27,915
Onkaparinga	62,558	20,421	31,021	1,365	-	130,073
Orroroo Carrieton	384	236	148	34	-	667
Peterborough	965	466	359	59	-	1,411
Playford	28,505	9,321	17,619	627	-	62,185
Port Adelaide Enfield	48,760	17,120	19,259	1,190	-	87,534
Port Augusta	6,179	1,891	3,165	209	-	11,653
Port Lincoln	6,230	2,172	3,033	150	-	11,379
Port Pirie	7,534	3,304	3,791	262	-	13,648
Prospect	8,585	2,608	3,584	200	-	17,016
Renmark Paringa	3,481	1,599	1,980	175	-	7,720
Robe	1,223	291	260	26	-	1,096
Roxby Downs	1,737	45	1,107	34	-	4,058
Salisbury	49,944	14,805	26,113	1,013	-	106,071
Southern Mallee	666	380	469	27	-	1,645
Streaky Bay	920	346	462	26	-	1,656
Tatiara	1,891	986	1,487	167	-	5,726
Tea Tree Gully	37,299	12,971	18,155	635	-	81,542
Tumby Bay	1,061	659	467	31	-	1,918
Unley	16,188	5,662	6,016	522	-	30,652
Victor Harbor	7,227	4,370	1,859	243	-	8,667
Wakefield	2,304	1,084	1,344	158	-	5,264
Walkerville	3,125	1,505	1,064	54	-	5,531
Wattle Range	4,554	1,934	2,595	118	-	9,756
West Torrens	25,181	10,389	8,238	692	-	42,180
Whyalla	10,503	3,123	4,836	193	-	18,210
Wudinna	389	180	318	28	-	1,064
Yankalilla	3,047	1,066	731	93	-	3,313
Yorke Peninsula	8,968	3,012	1,878	140	-	8,211
Total	660,171	250,170	289,537	19,603	-	1,271,810

<i>Function :</i>	Sealed Built Up Roads	Sealed Non Built Up Roads	Sealed Built-Up Roads (Footpaths, kerbing, street lighting etc)	Unsealed Built Up Roads	Unsealed Non Built Up Roads	Unformed Roads
<i>Unit of Measure :</i>	Sealed Built Up Kms	Sealed Non Built Up Kms	Sealed Built Up Kms	Unsealed Built Up Kms	Unsealed Non Built Up Kms	Unformed Kms
Adelaide	123	-	123	-	-	-
Adelaide Hills	205	399	205	6	468	9
Alexandrina	243	292	243	19	763	24
Barossa	142	195	142	10	548	71
Barunga West	34	42	34	7	789	109
Berri Barmera	68	190	68	1	116	38
Burnside	228	-	228	-	5	0
Campbelltown	254	-	254	-	0	-
Ceduna	42	35	42	4	1,376	257
Charles Sturt	566	-	566	1	-	0
Clare & Gilbert Valleys	76	142	76	13	1,408	187
Cleve	21	46	21	8	1,205	116
Cooper Pedy	25	3	25	28	101	263
Coorong	55	288	55	10	1,531	1
Copper Coast	169	102	169	42	505	128
Elliston	22	22	22	8	960	136
Flinders Ranges	21	1	21	11	893	336
Franklin Harbour	18	64	18	-	816	37
Gawler	129	30	129	3	16	2
Goyder	67	88	67	33	2,834	226
Grant	31	438	31	3	810	316
Holdfast Bay	171	-	171	-	-	-
Kangaroo Island	52	189	52	56	1,013	51
Karoonda East Murray	10	87	10	5	1,149	48
Kimba	12	71	12	10	988	636
Kingston	43	83	43	5	554	60
Light	73	95	73	25	1,206	59
Lower Eyre Peninsula	43	92	43	18	1,099	116
Loxton Waikerie	68	341	68	16	1,692	200
Mallala	74	60	74	47	641	136
Marion	470	-	470	0	-	-
Mid Murray	73	262	73	27	2,035	984
Mitcham	378	15	378	1	1	2
Mount Barker	164	166	164	16	349	30
Mount Gambier	189	8	189	-	1	0
Mount Remarkable	23	68	23	20	1,520	432
Murray Bridge	145	262	145	8	538	21
Naracoorte Lucindale	80	405	80	3	1,084	41
Northern Areas	62	72	62	32	1,758	274
Norwood, Payneham & St. Peters	157	-	157	-	-	-
Onkaparinga	990	249	990	9	189	3
Orroroo Carrieton	18	27	18	7	879	696
Peterborough	31	8	31	7	799	385
Playford	444	241	444	1	97	6
Port Adelaide Enfield	661	-	661	4	-	-
Port Augusta	138	42	138	29	107	92
Port Lincoln	142	6	142	4	3	2
Port Pirie	182	148	182	11	622	212
Prospect	87	-	87	-	-	-
Renmark Paringa	50	257	50	5	133	51
Robe	29	13	29	2	336	56
Roxby Downs	29	6	29	-	4	-
Salisbury	719	22	719	3	4	-
Southern Mallee	25	90	25	7	1,070	144
Streaky Bay	43	32	43	11	1,425	219
Tatiara	82	421	82	11	1,193	225
Tea Tree Gully	559	17	559	2	8	6
Tumby Bay	30	21	30	4	957	95
Unley	164	-	164	-	-	-
Victor Harbor	129	112	129	10	124	2
Wakefield	67	124	67	7	2,170	313
Walkerville	35	-	35	-	-	-
Wattle Range	142	367	142	36	1,351	559
West Torrens	289	-	289	0	-	-
Whyalla	200	17	200	5	54	3
Wudinna	17	64	17	8	1,264	354
Yankalilla	52	76	52	3	363	48
Yorke Peninsula	167	290	167	56	3,138	236
Total	10,346	7,306	10,346	733	47,061	9,056

<i>Function :</i>	Stormwater Drainage - Maintenance	Community Support	Jetties and Wharves	Public Order and Safety	Planning & Building Control	Bridges
<i>Unit of Measure :</i>	No. of Urban, Industrial & Commercial Properties (excluding exempt)	Population x CRI (SEIFA Index of Advantage/Disadvantage)	Number of Jetties and Wharves	Total Number of Properties	Number of New Developments & Additions	Number of Bridges
Adelaide	18,258	17,112	-	22,467	1,199	11
Adelaide Hills	13,017	35,885	-	18,334	1,421	72
Alexandrina	11,622	23,723	3	18,607	2,558	35
Barossa	8,501	22,383	-	12,565	996	63
Barunga West	1,617	2,819	-	2,889	119	-
Berri Barmera	4,507	11,973	4	6,662	248	-
Burnside	19,395	37,785	-	21,776	751	6
Campbelltown	20,465	47,733	-	23,024	1,323	49
Ceduna	1,409	4,037	3	2,558	153	-
Charles Sturt	49,800	107,638	-	55,476	3,490	5
Clare & Gilbert Valleys	3,401	8,946	-	7,245	470	29
Cleve	744	1,951	1	1,684	70	-
Coober Pedy	1,356	2,103	-	1,975	64	-
Coorong	2,085	6,224	4	4,813	183	1
Copper Coast	7,890	13,900	1	11,996	837	-
Elliston	585	1,204	1	1,554	57	-
Flinders Ranges	780	1,933	-	2,247	87	-
Franklin Harbour	618	1,421	-	1,299	93	2
Gawler	8,735	21,180	-	10,446	783	8
Goyder	1,765	4,559	-	4,973	140	10
Grant	2,449	8,552	-	5,875	347	1
Holdfast Bay	18,471	33,357	2	21,669	1,123	3
Kangaroo Island	2,867	4,736	1	5,905	266	25
Karoonda East Murray	445	1,236	-	1,465	41	-
Kimba	380	1,162	-	1,069	26	-
Kingston	1,235	2,580	1	2,820	108	-
Light	4,450	13,547	-	7,736	649	22
Lower Eyre Peninsula	1,789	4,924	3	4,065	324	2
Loxton Waikerie	4,741	12,770	1	8,739	252	-
Mallala	2,638	8,794	-	4,833	355	3
Marion	37,868	83,294	-	42,040	2,397	7
Mid Murray	5,261	9,177	11	10,986	609	12
Mitcham	26,302	58,469	-	29,426	1,782	21
Mount Barker	10,417	28,974	-	14,889	1,306	169
Mount Gambier	12,136	26,824	-	13,988	547	1
Mount Remarkable	1,431	3,111	1	3,543	134	9
Murray Bridge	7,893	21,134	5	11,722	781	6
Naracoorte Lucindale	3,025	8,634	-	6,696	294	27
Northern Areas	1,845	5,100	-	4,589	201	17
Norwood, Payneham & St. Peters	18,724	33,393	-	20,746	1,116	-
Onkaparinga	65,713	160,888	1	76,583	4,920	48
Orroroo Carrieton	430	979	-	1,647	13	-
Peterborough	1,049	2,289	-	1,942	38	9
Playford	29,647	85,138	-	36,550	3,132	8
Port Adelaide Enfield	53,267	116,904	-	61,190	3,556	1
Port Augusta	6,666	15,745	3	8,016	421	9
Port Lincoln	7,030	15,218	2	8,615	393	1
Port Pirie	8,062	19,797	5	11,034	483	10
Prospect	9,192	19,313	-	10,095	477	-
Renmark Paringa	3,810	10,568	1	5,639	258	5
Robe	1,328	1,504	1	2,658	124	1
Roxby Downs	1,850	3,973	-	2,121	186	-
Salisbury	52,465	135,973	1	57,981	3,412	22
Southern Mallee	759	2,263	-	2,010	59	-
Streaky Bay	1,004	2,279	1	2,604	127	-
Tatiara	2,168	7,304	-	5,049	159	16
Tea Tree Gully	38,758	96,191	-	42,276	2,302	5
Tumby Bay	1,135	2,882	2	2,427	108	4
Unley	17,697	33,931	-	19,416	1,129	1
Victor Harbor	7,679	13,972	-	10,705	729	30
Wakefield	2,504	7,187	-	5,833	224	24
Walkerville	3,246	6,411	-	3,635	284	-
Wattle Range	4,970	13,359	-	9,900	343	-
West Torrens	27,525	54,939	-	31,084	1,463	18
Whyalla	11,145	25,038	3	12,503	770	-
Wudinna	458	1,408	-	1,338	24	-
Yankalilla	3,198	4,743	2	5,694	359	35
Yorke Peninsula	9,361	12,590	12	14,737	904	-
Total	713,034	1,617,062	76	908,674	54,093	863

APPENDIX IX - Background of Financial Assistance Grants to Local Government

- i) Annual reports of the interim State Grants Commission and the South Australian Local Government Grants Commission presented since 1976 have contained detailed information on the history of the provision of Commonwealth Financial Assistance Grants to Local Government in Australia.
- ii) Further information particularly with regard to the general methodology is also available in the 1974, 1975, 1976 and 1977 reports of the Commonwealth Grants Commission dealing with financial assistance for Local Government, the Report of the National Inquiry into Local Government Finance (Self Report) published in 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.
- *May 2010* – the Commission completed an investigation into the effects of decreasing property valuations on councils affected by drought and reductions in the availability of water for irrigation. The Commission found that while councils in the riverland region were affected by drought, no specific services had been provided by councils to address the issue. The Commission concluded that its current methodology accounts for decreased capacity to raise revenue a result of decreases in property values.
- *June 2010* – approximately one quarter of the 2010-11 Financial Assistance Grants were brought forward by the Commonwealth and paid in 2009-10. Allocation of the early payment of the 2010-11 grants was based on the 2009-10 distribution.
- *May 2011* – the Commission’s investigation into the effects of growth within local government was completed. Commencing in 2009-10, the investigation looked at the effects of the State Government’s *30 Year Plan for Greater Adelaide* and its associated regional plans on population growth within local governing authorities. The investigations included consulting with councils to establish the costs associated with population increases, residential development, the need for increased infrastructure and services and the opportunities to raise additional revenue from expanding communities. The investigation also assessed the Commission’s current methodology to recognise growth within local government.
- *May 2011* – The Commission completed a review of the effects of including depreciation into its methodology for 2007-08 and associated withdrawal of capital expenditure from its methodology.
- *May 2011* – the Commission updated the unit of measure for the Sport and Recreation expenditure function calculation by increasing the population range from 5-49 years of age to 5-64 years of age.
- *May 2011* – The Commission completed a review on work undertaken in 2002-03 to assess the costs associated with the provision of airports and airstrips by local government. Investigations confirmed earlier work that the local government sector, on average, makes a profit from the provision of airstrips and airports.
- *May 2011* – The Commission reviewed the incorporation of Cost Relativity Indices into the expenditure function calculations for roads by revisiting its work from 2002-03. The Commission was able to confirm that there continues to be a lack of clear data available across the sector to measure traffic volumes. Investigations also found that the classification of roads can vary significantly across councils based on information obtained from a survey of council’s Asset Management Plans.
- *May 2011* – The Commission withdrew all calculations (on both the revenue and expenditure sides of the methodology) relating to libraries for a period of one year, based on inconsistencies found with libraries data.
- *May 2011* – The Commonwealth announced the extension of the Supplementary Local Road Funding for a further three years from 2011-12 to 2013-14, providing an additional \$50.9 million to South Australian councils.

- *June 2011* - approximately one quarter of the 2011-12 Financial Assistance Grants were brought forward by the Commonwealth and paid in 2010-11. Allocation of the early payment of the 2011-12 grants was based on the 2010-11 distribution.

APPENDIX X - 2010 General Information, Supplementary Return & Financial Statements

The South Australian Local Government Grants Commission would like to extend its sincere thanks to the following councils who submitted their 2009-10 General Information, Supplementary Returns and their Audited Financial Statements by the due date of 30 November 2010 and thereby facilitated the timely determination of grants.

- | | |
|--------------------------|----------------------------------|
| 1. Adelaide City | 26. Naracoorte Lucindale |
| 2. Adelaide Hills | 27. Northern Areas |
| 3. Alexandrina | 28. Norwood Payneham & St Peters |
| 4. Barossa | 29. Onkaparinga |
| 5. Barunga West | 30. Orroroo Carrieton |
| 6. Berri Barmera | 31. Peterborough |
| 7. Campbelltown | 32. Port Adelaide Enfield |
| 8. Ceduna | 33. Port Lincoln |
| 9. Charles Sturt | 34. Prospect |
| 10. Cleve | 35. Renmark Paringa |
| 11. Copper Coast | 36. Robe |
| 12. Elliston | 37. Salisbury |
| 13. Flinders Ranges | 38. Streaky Bay |
| 14. Franklin Harbour | 39. Tatiara |
| 15. Goyder | 40. Tea Tree Gully |
| 16. Holdfast Bay | 41. Victor Harbor |
| 17. Kangaroo Island | 42. Wakefield Regional |
| 18. Karoonda East Murray | 43. Walkerville |
| 19. Kimba | 44. Wattle Range |
| 20. Kingston | 45. West Torrens |
| 21. Light | 46. Whyalla |
| 22. Lower Eyre Peninsula | 47. Wudinna |
| 23. Mitcham | 48. Yankalilla |
| 24. Mount Barker | 49. Yorke Peninsula |
| 25. Mount Gambier | |

APPENDIX XI - Financial Statements

SOUTH AUSTRALIAN LOCAL GOVERNMENT GRANTS COMMISSION

FINANCIAL STATEMENTS

For the year ended

30 June 2011

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2011

	Note	2011 \$' 000	2010 \$' 000
Expenses			
Employee benefits expenses	5	219	267
Supplies and services	6	239	141
Grants and subsidies	7	5	-
Total expenses		463	408
Income			
Revenue from fees and charges	9	20	20
Interest revenue	10	100	74
Sale of goods	11	7	5
Total income		127	99
Net cost of providing services		336	309
Revenues from SA Government			
Revenues from SA Government	12	475	463
Net result		139	154
Total comprehensive result		139	154

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2011

	Note	2011 \$' 000	2010 \$' 000
Current assets			
Cash	13	661	526
Receivables	14	8	6
Total current assets		669	532
Total assets		669	532
Current Liabilities			
Payables	15	12	13
Employee benefits	16	18	24
Total current liabilities		30	37
Non-current liabilities			
Payables	15	6	6
Employee benefits	16	65	60
Total non-current liabilities		71	66
Total liabilities		101	103
Net assets		568	429
Equity			
Retained earnings		568	429
Total equity		568	429

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.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2011

	Retained earnings \$'000	Total \$'000
Balance at 30 June 2009	275	275
Net result for 2009-10	154	154
Total comprehensive result for 2009-10	154	154
Balance at 30 June 2010	429	429
Net result for 2010-11	139	139
Total comprehensive result for 2010-11	139	139
Balance at 30 June 2011	568	568

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

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

STATEMENT OF CASH FLOWS

For the year ended 30 June 2011

	Note	2011 \$' 000	2010 \$' 000
		Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities			
Cash outflows			
Payment for employee benefits		(221)	(350)
Payment for supplies and services		(239)	(147)
Payments of grants and subsidies		(5)	-
Cash used in operations		(465)	(497)
Cash inflows			
Fees and charges		20	20
Interest received		98	72
Sale of goods		7	5
Cash generated from operations		125	97
Cash Flows From SA Government			
Receipts from SA Government		475	463
Cash generated from SA Government		475	463
Net cash provided by operating activities	19	135	63
Net increase in cash		135	63
Cash at the beginning of the period		526	463
Cash at the end of the period	13	661	526

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

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS

Financial Year Ended 30 June 2011

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Note 1 Objectives of the South Australian Local Government Grants Commission

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

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

Except for the amendments to Australian Accounting Standards AASB 2009-12, 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 2011 (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 are outlined in the applicable notes;
- 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;
- Compliance with accounting policy statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, which have been included in these financial statements:
 - a) Revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. 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) 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 applicable valuation policy.

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 2011 and the comparative information presented.

c) Reporting Entity

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

The Commission distributes Commonwealth financial assistance grants to local governing authorities in South Australia in accordance with State and Federal legislative requirements. The assistance grants are an administered function of the Commission. All revenues and expenditures from the receipt and disbursement of grant funds, and any year end cash balances are reflected separately in Note 21.

d) Transferred Functions

There have been no transferred functions to or from the Commission during 2010-11.

e) Comparative Information

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

Where presentation or classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in the financial statements unless impracticable to do so.

Where the Commission has applied an accounting policy retrospectively; retrospectively restated items in the financial statements; reclassified items in the financial statements, it has provided two Statements of Financial Position and related notes.

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 ATO, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable;
- receivables and payables, which are stated with the amount of GST included.

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

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

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

h) Events after 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 (refer to Note 22).

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.

Sale of goods

Revenues from sale of goods are derived from the provision of statistical information to councils.

Interest revenue

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

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 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 are recognised as a liability and expense when the Commission 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 that 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 that 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 accrued interest and prepayments.

Receivables are accrued for interest earned during the period that has not yet been receipted.

Prepayments to creditors for goods and services in future periods, are considered assets until the goods/services are received.

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 accrued expenses and employment on-costs.

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 contributions due but not yet paid to the superannuation scheme managers.

Employee benefits

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

Wages, salaries, annual leave and sick leave

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

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

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

Long service leave

The liability for long service leave is recognised after an employee has completed 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 ATO. If GST is not payable to, or recoverable from the ATO, the commitments and contingencies are disclosed on a gross basis.

Note 3 Financial risk management

The Commission does not have financial assets and liabilities that satisfy the definition in AASB 139 Financial Instruments: Recognition and Measurement.

Note 4 New and revised accounting standards and policies

Except for AASB 2009-12 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 2011. 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.

5 Employee benefits expenses

	2011	2010
	\$' 000	\$' 000
Salaries and wages	122	183
Annual leave	17	6
Long service leave	7	5
Employment on-costs - superannuation	17	17
Employment on-costs - other	10	10
Commission fees	46	46
Total employee benefits expenses	219	267

Targeted voluntary separation packages (TVSPs)

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

Accounting Policy Change

In accordance with the revised Accounting Policy Framework II General Purpose Financial Statements Framework, the department has changed its accounting policy and now discloses all employees who receive remuneration equal to or greater than the base executive remuneration level rather than all employees who receive remuneration equal to or greater than \$100,000. The impact of this change in accounting policy is the number of employees disclosed has reduced by 1 for 2011 and reduced 1 for 2010. There were nil employees receiving remuneration greater than the prescribed threshold in 2011.

6 Supplies and services

	2011	2010
	\$' 000	\$' 000
Supplies and services provided by entities within SA Government		
Professional and technical services ⁽¹⁾	165	88
Computing and communication costs	-	1
Vehicle and equipment operating costs	-	2
Total supplies and services - SA Government entities	165	91
Supplies and services provided by entities external to the SA Government		
Professional and technical services	42	38
Administrative and operating costs	10	4
Travel	21	7
Staff development and safety	1	1
Total supplies and services - non SA Government entities	74	50
Total supplies and services	239	141

(1) Includes consultancies costs which are further broken down below.

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

	2011	2011	2010	2010
	Number	\$' 000	Number	\$' 000
Below \$10,000	-	-	1	5
Between \$10,000 and \$50,000	1	10	-	-
Total paid to the consultant engaged	1	10	1	5

7 Grants and subsidies

	2011	2010
	\$' 000	\$' 000
Grants and subsidies paid/payable to entities external to the SA Government		
Asset Management Financial Assistance	5	-
Total grants and subsidies	5	-

8 Auditor's remuneration

	2011	2010
	\$' 000	\$' 000
Audit fees payable to the Auditor-General's Department	10	8
Over accrued audit fees for previous year	-	(1)
Total audit fees	10	7

Other services

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

9 Revenues from fees and charges		
	2011	2010
	\$' 000	\$' 000
Charges and fees received/receivable from entities within SA Government		
Administration fees	20	20
Total revenue from fees and charges	20	20

10 Interest revenue		
	2011	2010
	\$' 000	\$' 000
Interest from entities within the SA Government	100	74
Total interest revenue	100	74

11 Sale of goods		
	2011	2010
	\$' 000	\$' 000
Sale of goods received/receivable from entities external to SA Government		
Sale of database reports	7	5
Total sale of goods	7	5

12 Revenues from SA Government		
	2011	2010
	\$' 000	\$' 000
Revenues from SA Government		
Appropriations from Consolidated Account pursuant to the Appropriation Act	475	463
Total revenues from SA Government	475	463

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 Commission.

13 Cash		
	2011	2010
	\$' 000	\$' 000
Deposits with the Treasurer	661	526
Total cash	661	526

Interest rate risk

Cash on hand is non-interest bearing. Deposits at call and with the Treasurer are bearing a floating interest rate between 4.35% and 4.60%. The carrying amount of cash and cash equivalents approximates fair value.

14 Receivables		
	2011	2010
	\$' 000	\$' 000
Current		
Accrued interest on deposits	7	6
Prepayments	1	-
Total current receivables	8	6

Interest rate and credit risk

No trade receivables exist as at 30 June 2011. The accrued interest on deposit represents interest on deposits with the Treasurer.

Bad and doubtful debts

There were no bad debts or doubtful debts recognised during the year (2010: nil).

15 Payables

	2011 \$' 000	2010 \$' 000
Current		
Accrued expenses	9	9
Employment on-costs	3	4
Total current payables	12	13
Non-current		
Employment on-costs	6	6
Total non-current payables	6	6
Total payables	18	19

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 35% (2010: 45%) and the average factor for the calculation of employer superannuation on-cost is 10.3% (2010: 10.75%), as determined by actual employee superannuation contribution 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

	2011 \$' 000	2010 \$' 000
Current		
Annual leave	17	17
Long service leave	1	2
Accrued salaries and wages	-	5
Total current employee benefits	18	24
Non-current		
Long service leave	65	60
Total non-current employee benefits	65	60
Total employee benefits	83	84

The total current and non-current employee liability (i.e. aggregate employee benefits in Note 16 plus related on-costs in Note 15) for 2011 is \$21,000 and \$71,000 respectively.

Based on an actuarial assessment performed by the Department of Treasury and Finance, the benchmark for the measurement of the long service leave liability has changed from the 2010 benchmark of 5.5 years to 5 years. The change has no financial impact on the long service leave liability for the 2010-11 reporting period.

In addition, the actuarial assessment performed by the Department of Treasury and Finance has determined the salary inflation rate as 4% for 2010-11 (2009-10: 4%). There is no financial impact on the long service leave liability as at 30 June 2011.

17 Unrecognised contractual commitments

No material commitments exist as at 30 June 2011.

18 Contingent assets and contingent liabilities

The Commission is not aware of any contingent assets or liabilities.

19 Cash flow reconciliation

	2011	2010
	\$' 000	\$' 000
Reconciliation of cash at 30 June		
Cash disclosed in the Statement of Financial Position	661	526
Balance as per the Statement of Cash Flows	661	526
Reconciliation of net cash provided by/(used in) operating activities to net cost of providing services:		
Net cash provided by/(used in) operating activities	135	63
Less: revenue from SA Government	(475)	(463)
Add (Less) non-cash items:		
Changes in assets/liabilities		
Increase/(decrease) in receivables	2	2
Decrease in payables	1	16
Decrease/(Increase) in employee benefits	1	73
Net cost of providing services	(336)	(309)

20 Remuneration of commission members

Members of the Commission during 2010-11 were:

Gascoigne C	Patetsos M
Germein M (retired 10 August 2010)	Ross J

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

	2011	2010
	Number of members	Number of members
Nil	-	-
\$1 - \$9 999	1	-
\$10 000 - \$19 999	2	2
\$20 000 - \$29 999	1	1
Total number of members	4	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 \$50,400 (2010: \$49,860).

Total amount paid to a superannuation plan for commission members was \$4,291 (2010: \$4,117).

In accordance with the Department of Premier and Cabinet Circular No.016, government employees are not entitled to receive any remuneration for commission duties. No members were government employees during 2010-11 and 2009-10.

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

	2011	2010
	\$' 000	\$' 000
Administered revenues - Commonwealth receipts		
Commonwealth Financial Assistance Grants	143,282	133,461
Commonwealth Roads to Recovery Grants	4,448	2,897
Commonwealth Specific Purpose Grants	15,566	14,820
Total administered revenues - Commonwealth receipts	163,296	151,178
Administered expenses - Commonwealth payments		
Local Government Financial Assistance Grants	143,282	133,461
Local Government Roads to Recovery Grants	4,448	2,897
Commonwealth Specific Purpose Grants	15,566	14,820
Total administered expenses - Commonwealth payments	163,296	151,178
Cash held at the commencement of the year	1,028	1,028
Cash held at the end of the year	1,028	1,028

During 2010-11, an additional \$36 million funding was received and distributed for projects which were designated to commence in 2011-2012. During 2009-10 there was a similar occurrence where an additional \$36 million funding was received and distributed for projects which were designated to commence in 2010-2011.

22 Events after the reporting period

No events have occurred after the reporting period that would affect the financial statements of the Commission as at 30 June 2011.

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

	2010	2009
	\$' 000	\$' 000
Reconciliation of cash at 30 June		
Cash disclosed in the Statement of Financial Position	526	463
Balance as per the Statement of Cash Flows	526	463
Reconciliation of net cash provided by/(used in) operating activities to net cost of providing services:		
Net cash provided by/(used in) operating activities	63	(156)
Less: revenue from SA Government	(463)	(452)
Changes in assets/liabilities		
Increase/(decrease) in receivables	2	(11)
Decrease in payables	16	12
Decrease/(Increase) in employee benefits	73	(55)
Net cost of providing services	(309)	(662)

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:

	2010	2009
	Number of members	Number of members
\$10 000 - \$19 999	2	2
\$20 000 - \$29 999	1	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 \$49,860 (2009: \$50,630).

Total amount paid to a superannuation plan for commission members was \$4,117 (2009: \$4,180).

In accordance with the Department of Premier and Cabinet Circular No.016, government employees are not entitled to receive any remuneration for commission duties. There are no members who are government employees in 2009-10 and 2008-09.

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

	2010	2009
	\$' 000	\$' 000
Administered revenues - Commonwealth receipts		
Commonwealth Financial Assistance Grants	124,820	163,223
Commonwealth Roads to Recovery Grants	2,897	4,287
Commonwealth Specific Purpose Grants	23,461	14,267
Total administered revenues - Commonwealth receipts	151,178	181,777
Administered expenses - Commonwealth payments		
Local Government Financial Assistance Grants	124,820	163,223
Local Government Roads to Recovery Grants	2,897	4,287
Commonwealth Specific Purpose Grants	23,461	14,267
Total administered expenses - Commonwealth payments	151,178	181,777
Net operating surplus	-	-
Cash held at the commencement of the year	1,028	1,028
Cash held at the end of the year	1,028	1,028

22 Events after the reporting period

No events have occurred after the reporting period that would affect the financial statements of the SA Local Government Grants Commission as at 30 June 2010.

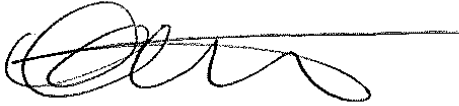
SOUTH AUSTRALIAN LOCAL GOVERNMENT GRANTS COMMISSION

Certification of the Financial Statements

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

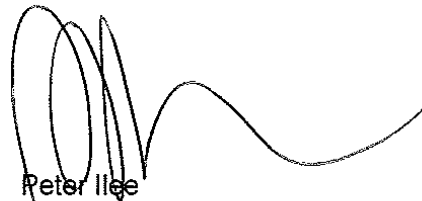
- . comply with relevant Treasurer's instructions issued under section 41 of the *Public Finance and Audit Act 1987* , and any relevant Australian accounting standards;
- . are in accordance with the accounts and records of the Commission; and
- . presents a true and fair view of the financial position of the SA Local Government Grants Commission as at 30 June 2011 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.



Mary Patetsos
Chairperson
SA Local Government
Grants Commission

23 November 2011



Peter Ilee
Executive Officer
SA Local Government
Grants Commission

13 November 2011

INDEPENDENT AUDITOR'S REPORT

Government of South Australia
Auditor-General's Department

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To The Chairperson
South Australian Local Government Grants Commission

As required by section 31 of the *Public Finance and Audit Act 1987*, I have audited the accompanying financial report of the South Australian Local Government Grants Commission for the financial year ended 30 June 2011. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2011
- a Statement of Financial Position as at 30 June 2011
- a Statement of Changes in Equity for the year ended 30 June 2011
- a Statement of Cash Flows for the year ended 30 June 2011
- notes, comprising a summary of significant accounting policies and other explanatory information
- 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 of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the Commission determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the South Australian Local Government Grants Commission as at 30 June 2011, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



W J Tate

DEPUTY AUDITOR-GENERAL

1 December 2011