



FINANCIAL ASSISTANCE GRANTS FOR 2016-2017

For 2016-17, the Australian Government will distribute a total of \$2.29 billion to the States. South Australia will receive \$151.4 million, which includes both a general purpose grant and local roads grant.

The general purpose funding for South Australia is \$112.8 million. This funding is distributed to States on a per capita basis. South Australia's share has been reducing as its population as a proportion of the national population declines.

The local roads funding for South Australia is \$38.7 million, which includes special local road funding of \$5.8 million. Local road funding is distributed to States based on those roads existing prior to the 1991-92 financial year. South Australia receives less than a per capita share of this funding.

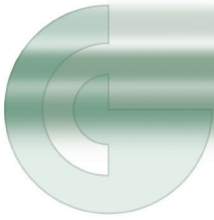
As part of savings measures originally announced as part of the 2014-15 Federal Budget, the indexation of Financial Assistance Grants which was frozen for a period of three years, commencing on 1 July 2014, will continue for 2016-17. The indexation of Financial Assistance Grants is an annual increase in grants based on population changes and increases in the Consumer Price Index.

In 2016-17, there were 68 councils, the Outback Communities Authority and five Aboriginal communities eligible for grants in South Australia.

State Entitlements: Total Commonwealth Financial Assistance Grant Funding for Local Government 2016-17 proportion as a percent of total funding distributed



NSW	\$712.1 million	31.1%
VIC	\$542.1 million	23.7%
QLD	\$450.3 million	19.7%
WA	\$280 million	12.2%
SA	\$151.4 million	6.6%
TAS	\$71.5 million	3.1%
NT	\$32.6 million	1.4%
ACT	\$48.6 million	2.1%



ROADS TO RECOVERY - SPECIAL LOCAL ROADS PROGRAM FOR 2016-17

The Australian Government requires that the structure of the Roads to Recovery Grants for South Australia replicate that of the Identified Local Road Grants, ie, 85% formulae grants and 15% special local road grants. The formulae component of these grants is allocated by the Australian Government direct to councils, with the remaining 15% special local road grants component based on the recommendations of the Grants Commission.

Funding from the special projects component of the Roads to Recovery Program for the 2016-17 Special Local Roads Program is provided out of two distinct pools of funding.

In 2016-17, an allocation of \$4.26 million is available from the standard Roads to Recovery Program and a further \$5.58 million is available from the additional Roads to Recovery funding, which is provided from the reintroduction of the indexation of the Federal Fuel Excise.

Projects may be funded out of each of these pools of funding or a combination of both pools and grants are tied for the specific project.

Summary of Grants for 2016-17: Based on Final Estimates – July 2016



SUPPLEMENTARY LOCAL ROAD FUNDING

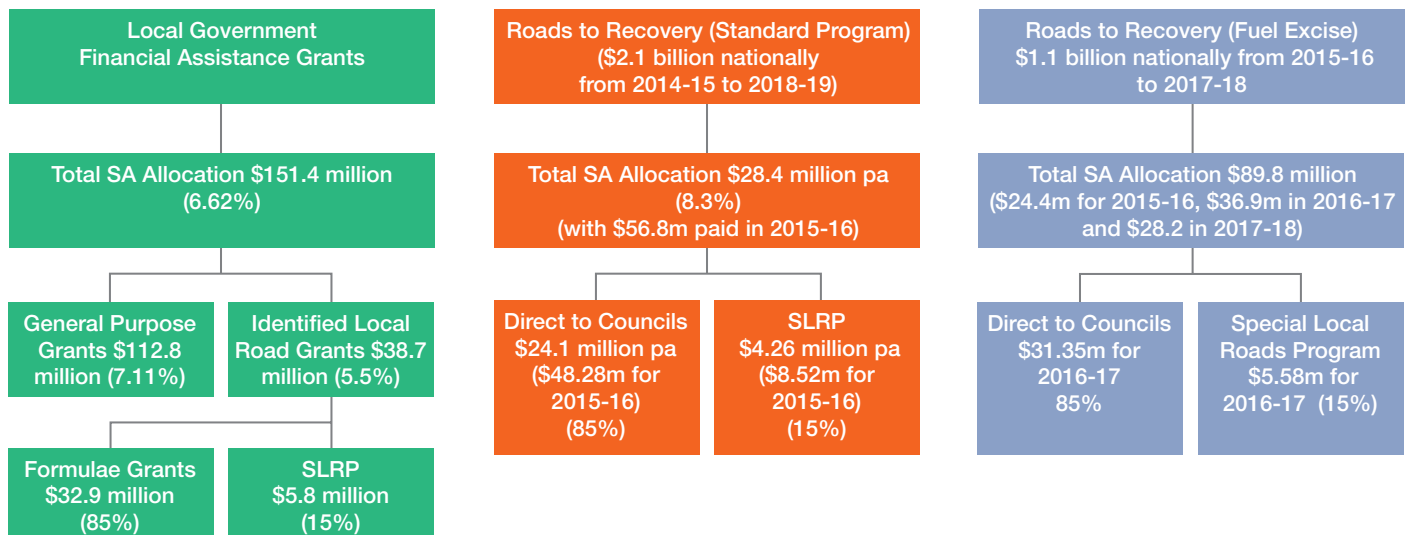
The Supplementary Local Road Funding was not renewed in the 2014-15 or 2015-16 Federal Budget and has not been reinstated as part of the 2016-17 Federal Budget.

The Supplementary Local Road Funding program was previously an additional allocation of road funding provided only to South Australia. This funding was provided to address (in part) the inequity that exists in the allocation of local roads

funding to South Australia. South Australian councils maintain 11.8% of the nation's local road network and receive only 5.5% of the national pool of grant funding.

In the absence of a permanent solution to the distribution of identified Local Road Grants to South Australia, reinstatement of the Supplementary Local Road Funding program remains a high priority for the State Government.

Summary of Grants for 2016-17: Based on Final Estimates – July 2016)



Roads to Recovery Allocations for South Australia do not include amounts allocated to DPTI