



Local Government Grants Commission  
South Australia

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**Annual Report**  
**2006 - 07**

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The Honourable Jennifer Rankine, MP  
Minister for State/Local Government Relations  
Parliament House  
ADELAIDE SA 5000

Dear Minister

As Chairman of the South Australian Local Government Grants Commission appointed under the *South Australian Local Government Grants Commission Act 1992*, I have pleasure in presenting you with the Commission's Annual Report for 2006-07.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M Germein', with a horizontal line underneath.

Malcolm Germein AM  
CHAIRPERSON

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## **CHAIRPERSON'S INTRODUCTION**

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

2006-07 saw the Commission make recommendations on the distribution of Financial Assistance Grants for 2007-08 totalling \$122.1 million. Of this, \$92.3 million was for general financial assistance and \$29.8 million for identified local road funding, representing an increase in general financial assistance from the previous year's grants of 4.15 per cent and an increase in identified local road funding of 4.55 per cent.

State shares for the distribution of the general purpose grants are determined on an equal per capita basis, and the Commonwealth Local Government (Financial Assistance) Act 1995 provides for the continuation of this arrangement. This is despite a firm stance from South Australia and the other less populous states for numerous years, that an equalisation basis would be more equitable and economically efficient.

The Commission endeavours to continually improve its methodology in allocating funds to local governing authorities. Work commenced late in 2005-06 to review the Commission's expenditure assessment of its current methodology. A significant portion of 2006-07 was devoted to finalising this work, which predominantly involved –

- Examining council depreciation expenditure, and whether its inclusion better reflected council service provision costs than existing capital expenditure measures, and;
- Examining functional expenditure categories, and whether a wider range of local government functions could be assessed, and whether functional units of measure could be more accurately identified.

The Commission employed an independent consultant (Dr Tony Ward of Milbur Consulting Pty Ltd) to assist with the expenditure review.

To further facilitate, a reference group comprising representatives from councils, the Local Government Association, Office for State/Local Government Relations and the Department of Treasury and Finance was established, and met on five occasions to consider the Commission's direction.

When considering any changes to the grant calculation process, the Commission has always believed consultation with councils is fundamental to ensure local government needs are adequately reflected in the assessment process, and that councils are well informed in Commission reasoning. To this end, two workshops were held as part of the 2006-07 expenditure review and were well attended by councils across South Australia.

In preparing to implement a revised methodology, the Commission recommended no council receive a lesser grant in 2007-08 than it received in 2006-07, and that grant increases are capped at 10%. Ensuing outcomes of the expenditure review will be phased into the grant allocation process in future years to minimise the impact on council budgetary processes.

The Commission annually collects a broad range of financial and other data from local governments in South Australia. This data is fundamentally 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.

Specific work was undertaken throughout 2006-07 to align the Commission's financial data collection form with the sector's new Model Financial Statements. Special thanks to Max King from the Australian Bureau of Statistics for his assistance with this project, and ongoing contribution to the development and refinement of the Commission's data collection tools and processes. We hope these changes make the reporting task easier for councils when forms are disseminated next year.

In closing, I would like to acknowledge the efforts of Commissioners Mary Patetsos and John Ross and thank Commission staff, Executive Officer Jane Gascoigne and Project Officers Alex Sgro, Paul Nikou and Lyn Skouborg for their contribution during the year.

**MALCOLM GERMEIN**  
**CHAIRPERSON**

## **CHAPTER 1 - THE COMMISSION**

### **Membership**

The South Australian Local Government Grants Commission is an independent statutory authority established under the South Australian Local Government Grants Commission Act 1992, which provides for three members who are appointed in a part-time capacity by the Governor. Members are appointed for a five-year term. At the conclusion of this time members are eligible for renomination. Members during 2006-2007 were:

- Malcolm Germein, Chairperson from 1 August 1995 until 31 July 2010, joint nominee of the Local Government Association and Minister for State/Local Government Relations. (Commissioner since 1992)
- Mary Patetsos, Commissioner from 8 August 2002 until 7 August 2007, nominee of the Minister for Local Government.
- John Ross, Commissioner from 11 August 2005 until 31 July 2010, nominee of the Local Government Association

For member profiles see *Appendix 1*.

### **Location**

The Commission offices are located on Level 7 Roma Mitchell House, North Terrace, Adelaide. Telephone (08) 8204 8719, Fax (08) 8204 8735.

### **Staff**

The Commission has four full time staff members employed under the Public Sector Management Act. As at 30 June 2007, the Commission staff was: Jane Gascoigne (Executive Officer), Alex Sgro (Project Officer), Paul Nikou (Project Officer) and Lyn Skouborg (Project Officer).

### **Purpose**

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

### **Reporting Arrangements and Funding**

Administratively, staff of the Commission report to the Executive 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 2006-07. In accordance with Section 9 of the Act an information statement is provided at *Appendix II*.

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## CHAPTER 2 - COMMISSION ACTIVITIES 2006-07

### Grant Allocation

The total 2006-07 allocation of \$116,659,151 was increased following the end of the financial year by \$464,374 after adjustment for CPI. This increase will be passed on to councils in the four quarterly instalments during 2006-07. The actual allocation figure, which includes the adjusted 2006-07 allocations, is shown in *Appendix III*.

For 2007-08 the Commission made recommendations on the distribution of \$122,095,970 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 \$92,310,159 an increase of 4.15 per cent on 2006-07. The identified local road component was \$29,785,811 an increase of 4.55 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*.

### 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 2005) were used in the calculation of the 2006-07 general purpose 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.

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

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

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

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

Part two of the project requires an examination of the range of expenditure functions currently included in the Commission's assessments 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 the expansion of the range of expenditure functions currently included was incorporated in the assessment for the 2007-08 grant calculations.

Staff will continue to research and develop drivers for those expenditure functions where suitable drivers were not found. As a result, those expenditure functions were included in the Commission determined function.

### **Information Collection and Storage**

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

Other data includes rates information, valuations and data contained in the General Information Return (employees, road lengths, health inspections, development applications etc.). The Commission received 188 requests for information for the financial year ended 30 June 2007.

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

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

A by-product of the road length audit process was the development of this Geographical Information System (GIS) in ArcInfo. Each year the Commission produces detailed hard copy maps by council, prepared in a GIS format, consistently mapped across the State. Should councils prefer, the maps can be downloaded into a range of difference 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 granting process.

During 2006-07 Commission members and staff attended 20 meetings at the councils listed on the following page.

In addition to these meetings the Grants Commission Executive Officer met with some Chief Executive Officers and Finance Managers to discuss methodological issues.

<b>Visited in September 2006</b>	<b>Visited in February 2007</b>	<b>Visited in March 2007</b>
Clare And Gilbert Valleys Council	Berri Barmera Council	City of Mitcham
Goyder Regional Council	Gerard City Council	
Northern Areas Council	District Council of Grant	<b>Visited in May 2007</b>
Port Pirie Regional Council	District Council of Loxton Waikerie	City of Playford
City of Prospect	City of Mount Gambier	
	City of Murray Bridge	<b>Visited in April 2007</b>
<b>Visited in January 2007</b>	Renmark Paringa Council	Outback Areas Community
Kingston District Council	District Council of Robe	Development Trust
Naracoorte Lucindale Council	City of Salisbury	
	Wattle Range Council	

### **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 Local Government Association, responsibility moved to the Local Government Transport Advisory Panel.

The Local Government Transport Advisory Panel is a Committee of the Local Government Association (LGA), and executive support is provided to the Committee by the LGA. The Committee's main role is to make recommendations to the South Australian Local Government Grants Commission on the allocation of the Special Local Road component of the Financial Assistance Grants. Formal reporting of funding allocations is contained within *Chapter 6* of this report.

The Committee comprises Mayor Brian Hurn, (Mayor, Barossa Council), as Chairperson, Mr Mark Elford (Director, Road Transport Planning, Department of Transport Energy and Infrastructure), Wally Iasiello (Director, Technical Services, Port Adelaide Enfield Council), Mayor Kym McHugh (Alexandrina Council) and Ms Jane Gascoigne (Executive Officer, 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 Organisations, which are asked to determine regional priorities within their areas.

For 2007-08 \$4.468 million was allocated to specific projects under the Financial Assistance Grants program, \$2.022 million under the Supplementary Local Road Funding Grant and \$3.75 million under the Special Projects component of the Roads to Recovery Grants. In total \$10.240 million was allocated for 2007-08.

### **Local Roads Advisory Committee**

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

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

The Committee comprises Mayor Brian Hurn, (Mayor of the Barossa Council) as Chairperson, Mr Mark Elford (Director, Road Transport Planning, Department of Transport, Energy and Infrastructure), and Ms Jane Gascoigne (Executive Officer, Local Government Grants Commission). The Committee's Executive Officer is Mr Silvio Visentin, an officer of the Department of Transport.



During 2006-07, the Committee continued work to enhance its methodology for reclassifying roads. The new guidelines were presented to the Minister for Transport, Energy and Infrastructure and the President of the Local Government Association. The Committee is awaiting feedback on its proposal.

### **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 2006-07.

### **The Year Ahead**

The Commission endeavours to continually improve its methodology in allocating funds to local governing authorities. Work will continue in 2007-08 to refine the work completed by Consultant Tony Ward of Milbur Consulting Pty Ltd. The Commission included depreciation expenditure in its assessment in place of capital expenditure, and expanded the range of expenditure functions currently included in its assessment for the 2007-08 grant calculations. Staff will continue to research and develop drivers for those functions where suitable drivers were not found and as a result were included into the Commission determined function.

The Commission will be visiting the Victorian Grants Commission in 2007-08. Victoria uses a different approach to South Australia when calculating its financial assistance grants and road calculations. The Commission staff will explore Victoria's approach to the calculations with a view to further improving the needs assessment process in South Australia.

The Commission will be developing and launching its own independent website in 2007-08. The website will help to better meet the needs of the South Australian Grants Commission's audience and provide extra information that was previously not easily accessible to the wider community.

Collection and dissemination of South Australia's Local Government Finance Statistics will again be a major role in 2007-08. The Commission is continuing to work with the Local Government Association, Office for State/Local Government Relations, Local Government Financial Management Group and the Australian Bureau of Statistics on standardising data collection forms and making the provision of information as easy as possible for councils.

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

Understanding the needs and funding requirements of Aboriginal Communities is an ongoing responsibility of the Commission. Work will continue in 2007-08 to research existing funding levels, purposes of the funding and associated accountability requirements.

The Commission will sustain its active council visiting program in 2007-08. These sessions provide a unique opportunity to discuss the grant allocation process. The Commission values the chance to educate councils on methodology details, and be educated on specific issues facing council.

### **Local Government Disaster Fund**

The Commission's staff provides administrative support to the Local Government Disaster Fund Management Committee on a fee for service basis. For the financial year ended 30 June 2007 the Management Committee made recommendations to the Treasurer for payments of \$4.948 million to councils primarily in respect of flood damage to roads. \$0.521 million was paid out in 2006-07 with the remainder to be paid out in early 2007-08. The recommendations were \$3.748 million in excess of the original \$1.2 million budget provision for the year. The Treasurer approved the additional funds to cater for significant widespread flooding in January 2007.

## 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 2007-2008 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 2007-2008 has increased in line with estimated inflation and the underlying growth in Commonwealth General Purpose payments to the States.

Entitlements for all States for 2006-2007 and for 2007-2008 are set out in Tables 1 and 2.

**TABLE 1 - Commonwealth General Purpose Financial Assistance for Local Government, State and Territory Entitlements 2006-07 and 2007-08**

State	2006-07		2007-08		% change 06/07 to 07/08. (%)
	Proportion (%)	Allocation (Actual) (\$'000)	Proportion (%)	Allocation (Estimate) (\$mill)	
New South Wales	33.27	385.94	32.88	401.58	4.05
Victoria	24.71	289.19	24.77	302.61	4.64
Queensland	19.57	230.15	19.82	242.07	5.18
Western Australia	9.92	115.84	9.98	121.91	5.24
<b>South Australia</b>	<b>7.56</b>	<b>88.63</b>	<b>7.56</b>	<b>92.31</b>	<b>4.15</b>
Tasmania	2.38	27.77	2.36	28.80	3.74
Northern Territory	1.00	11.87	1.02	12.45	4.94
Australian Capital Territory	1.60	18.90	1.61	19.71	4.30
<b>TOTAL</b>	<b>100.00</b>	<b>1,168.28</b>	<b>100.00</b>	<b>1,221.43</b>	<b>4.55</b>

**TABLE 2 - Commonwealth Identified Local Road Grants for Local Government,  
State and Territory Entitlements 2006-07 and 2007-08**

State	2006-07		2007-08		% change 06/07 to 07/08. (%)
	Proportion (%)	Allocation (Actual) (\$'000)	Proportion (%)	Allocation (Estimate) (\$mill)	
New South Wales	29.01	150.40	29.01	157.25	4.55
Victoria	20.62	106.88	20.62	111.74	4.55
Queensland	18.74	97.13	18.74	101.55	4.55
Western Australia	15.29	79.26	15.29	82.87	4.55
<b>South Australia</b>	<b>5.50</b>	<b>28.49</b>	<b>5.50</b>	<b>29.79</b>	<b>4.55</b>
Tasmania	5.30	27.47	5.30	28.72	4.55
Northern Territory	2.34	12.14	2.34	12.70	4.55
Australian Capital Territory	3.21	16.62	3.21	17.38	4.55
<b>TOTAL</b>	<b>100.00</b>	<b>518.40</b>	<b>100.00</b>	<b>541.99</b>	<b>4.55</b>

### **South Australian Local Government Grants Commission Act 1992**

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

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

### **Eligible Bodies**

For the 2007-2008 allocations there were 68 councils, the Outback Areas Community Development Trust and five Aboriginal communities eligible for grants.

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

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

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

### **General Purpose National Principles**

#### **(i) Horizontal Equalisation**

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

#### **(ii) Effort Neutrality**

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

#### **(iii) Minimum Grant**

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

#### **(iv) Other Grant Support**

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

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

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

#### **(vi) Council Amalgamation**

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

### **Identified Road Component National Principle**

#### **(vii) Identified Road Component**

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

## CHAPTER 5 - METHODOLOGY

### General Purpose Grant

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

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

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

### Formulae

#### *General financial assistance*

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

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

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

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

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

$G$  = council's calculated relative need assessment

$P$  = population

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

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

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

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

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

The raw grants, calculated for all functions using the above formulae, both on the revenue and expenditure sides, are then totalled to give each council's total raw grant figure. Any council whose raw calculation per head is less than the per capita figure, (\$17.81 for 2007-08), 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 2006-07 grants, the Commission allowed changes to some councils to be as great as positive 10%, and some to be as great as 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.

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

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

2 The Unit of Measure or standardised expense is derived as the product of the council grant for each council and the average ratio of council expenditures (net of revenue) to State grants, for all councils.

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.

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- 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 – assessed to be high, medium or low;
    - Coastal Protection - assessed to be high, medium or low; and
    - Cultural & Tourist Facilities - assessed to be high, medium or low;

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

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



## Summary of figures by function

Total Population = 1554656

Function	Standard in Dollars	Unit of Measure per Capita	Total Units of Measure	Unit of Measure
<b>Expenditure Functions</b>				
Waste Management	121.17	0.40933	628,714	No of residential properties
Aged Care Services	80.17	0.15268	234,518	Population aged more than 65
Services To Families And Children	38.49	0.18371	282,167	Population aged 0 to 14
Health Inspection	282.52	0.01435	22,041	Establishments to inspect
Libraries	4.84	7.36201	11,307,767	Number of visitors
Sport and Recreation	117.89	0.60777	933,516	Population aged 5 to 49
Sealed Roads - Built Up	8,097.85	0.00652	10,011	Kilometres of sealed builtup
Sealed Roads - Non Built Up	8,097.85	0.00443	6,804	Kilometres of sealed non-builtup
Sealed Roads - Footpaths etc	7,869.52	0.00652	10,011	Kilometres of sealed builtup
Unsealed Roads - Built Up	1,202.56	0.00052	805	Kilometres of formed and surfaced, and natural surface formed builtup road
Unsealed Roads - Non Built Up	1,202.56	0.03105	47,688	Kilometres of formed and surfaced, and natural surface formed non-builtup road
Roads - Unformed	184.88	0.00587	9,013	Kilometres of natural surfaced unformed road
Stormwater Drainage - Maintenance	41.89	0.44232	679,388	No of urban, industrial and commercial properties including exempt
Community Support	17.21	0.99986	1,535,742	3yr average population * SEIFA Advantage Disadvantage CRI
Jetties and Wharves	6,947.26	0.00007	107	Number of jetties and wharves
Public Order and Safety	12.49	0.56095	861,601	Total no of properties
Planning And Building Control	603.40	0.03583	55,036	No of new developments and additions
Bridges	2,775.61	0.00051	780	Number of bridges
Other Special Needs	1.00	26.25692	40,329,600	Total of dollars attributed
<b>Revenue Functions</b>				
Rates - residential	0.0032	106,824	157,438,836,815	Valuation of residential
- commercial	0.0059	12,398	19,046,019,921	Valuation of commercial
- industrial	0.0084	2,033	3,123,737,250	Valuation of industrial
- rural	0.0028	17,457	27,180,936,066	Valuation of rural
- other	0.0026	6,442	9,896,073,878	Valuation of other
Subsidies	1.00	23.03475	35,380,485	The total of the subsidies

## Calculated standards by function

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

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

### ***Aggregated Revenue and Expenditure Grants***

Component grants for all revenue categories and expenditure functions, calculated for each council using the method outlined above, are aggregated to give each council's total raw grant figure. Where the raw grant calculation per head of population for a council is less than the per capita minimum established as set out in the Act, (\$17.81 for 2007-08), 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 2007-08 grants, the Commission allowed changes to some councils to be as great as positive 10%, and some to have no change (0%). An iterative process is then undertaken until the full allocation is determined.

### **Identified Local Road Grant**

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

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

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

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

### **Outback Areas Community Development Trust**

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

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

Due to the lack of comparable data, the Commission is not able to calculate the grant to the Trust in the same manner as grants to other local governing bodies. Rather, a per capita grant has been established. The 2007-08 per capita grant was \$233.33.

During 2006-07, the Commission received a submission for increased funding from the Outback Areas Community Development Trust. The Commission acknowledged the additional pressure placed on the Trust as a result of the Outback Areas Community Development Trust review and the increased pressures being placed on Andamooka. A once off payment of \$150,000 to fund a full time officer in Andamooka was added to the Financial Assistance Grant to the Trust.

### **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, Gerard Community Council Inc., Maralinga Tjarutja, Nepabunna Community Council Inc., and Yalata Community Council Inc.

Again, due to the unavailability of data, grants for these communities are not calculated in the same manner as grants to other local governing bodies. Initially, the Commission utilised the services of a consultant, Alan Morton, of Morton Consulting Services, who completed a study on the expenditure needs of the communities and their revenue raising capacities. Comparisons were made with communities in other states and per capita grants were established. Grants have gradually been increased since the initial study. For 2007-08 the per capita grant varied from \$341.46 for Nepabunna to \$552.21 for Yalata Community Council.

## CHAPTER 6 – LOCAL GOVERNMENT FINANCIAL ASSISTANCE GRANT ALLOCATIONS FOR 2007-08

Local Government Authority	Population as at 30-Jun-06	General Purpose Grant (\$)	Identified Road Grant (\$)	Special Local Road Grant (\$)	Total Estimated Grant (\$)
Adelaide City	15,299	272,475	165,124		437,599
Adelaide Hills Council	39,048	695,445	554,945	175,000	1,425,390
Alexandrina Council	20,949	387,070	403,012		790,082
Barossa Council	21,060	375,079	341,998		717,077
Barunga West District	2,584	236,105	160,206		396,311
Berri Barmera Council	11,325	1,643,698	175,020		1,818,718
Burnside City	42,986	765,581	369,847		1,135,428
Campbelltown City	47,525	846,420	404,509		1,250,929
Ceduna District	3,490	1,565,564	338,053		1,903,617
Charles Sturt City	103,942	1,851,207	894,056		2,745,263
Clare And Gilbert Valleys Dc	8,329	287,616	291,287		578,903
Cleve District	1,897	699,978	272,481		972,459
Cooper Pedy	2,076	741,249	39,087		780,336
Coorong District	5,724	1,714,408	506,490	224,000	2,444,898
Copper Coast District	11,899	1,235,242	226,160		1,461,402
Elliston District	1,111	560,536	311,448		871,984
Flinders Ranges Council	1,709	818,090	228,472		1,046,562
Franklin Harbour District	1,340	674,908	195,449		870,357
Gawler Town	19,726	872,302	219,866	80,800	1,172,968
Goyder Regional Council	4,085	1,728,059	513,569		2,241,628
Grant District	8,134	774,868	260,176		1,035,044
Holdfast Bay City	34,702	618,043	286,707		904,750
Kangaroo Island Council	4,602	1,392,065	303,786		1,695,851
Karoonda East Murray District	1,154	832,396	259,083		1,091,479
Kimba District	1,146	654,911	230,611	481,000	1,366,522
Kingston District	2,321	440,893	190,351		631,244
Lehunte District	1,390	1,036,789	300,622		1,337,411
Light Regional	12,296	218,992	295,316	346,000	860,308
Lower Eyre Pen Dc	4,456	276,472	306,743	142,500	725,715
Loxton Waikerie District	12,083	2,265,917	568,577	400,000	3,234,494
Mallala District	7,958	728,925	187,905		916,830
Marion City	81,581	1,452,958	718,733		2,171,691
Mid Murray Council	8,420	2,186,194	496,086		2,682,280
Mitcham City	62,415	1,111,611	572,864		1,684,475
Mount Barker District	26,685	568,475	376,558		945,033
Mount Gambier City	24,043	1,294,784	287,376		1,582,160

<b>Local Government Authority</b>	<b>Population as at 30-Jun-06</b>	<b>General Purpose Grant (\$)</b>	<b>Identified Road Grant (\$)</b>	<b>Special Local Road Grant (\$)</b>	<b>Total Estimated Grant (\$)</b>
Mount Remarkable District	2,828	1,124,780	277,889		1,402,669
Murray Bridge District	18,194	2,419,846	341,459		2,761,305
Naracoorte Lucindale Dc	8,273	1,414,838	370,026		1,784,864
Northern Areas Council	4,597	835,975	308,117	552,200	1,696,292
Norwood, Payneham And St. Peters	34,165	608,479	273,564		882,043
Onkaparinga City	156,037	6,367,346	1,751,404		8,118,750
Orroroo/Carrieton District	935	573,841	194,592		768,433
Peterborough Dc	1,810	991,019	187,587		1,178,606
Playford City	72,304	7,821,071	877,267		8,698,338
Port Adelaide Enfield	105,386	1,876,925	967,041		2,843,966
Port Augusta City	13,897	2,932,191	220,874		3,153,065
Port Lincoln City	14,740	711,876	179,843		891,719
Port Pirie City And Districts	17,488	3,604,869	334,227		3,939,096
Prospect City	19,274	343,270	152,842		496,112
Renmark Paringa District	9,848	1,669,794	176,404		1,846,198
Robe District	1,410	25,112	82,821		107,933
Roxby Downs Municipality	3,645	64,917	47,392		112,309
Salisbury City	123,252	8,173,767	1,102,345	1,441,500	10,717,612
Southern Mallee District	2,187	773,116	306,851		1,079,967
Streaky Bay District	2,072	950,614	349,359		1,299,973
Tatiara District	7,047	1,372,629	431,605	225,000	2,029,234
Tea Tree Gully City	100,005	1,781,089	883,740		2,664,829
Tumby Bay District	2,721	399,854	200,955		600,809
Unley City	36,591	651,686	289,819		941,505
Victor Harbor District	12,528	223,124	184,402		407,526
Wakefield Regional Council	6,580	1,042,884	383,312		1,426,196
Walkerville Town	7,114	126,700	58,672		185,372
Wattle Range Council	12,352	1,078,285	424,429	400,000	1,902,714
West Torrens Cty	53,100	945,711	457,962		1,403,673
Whyalla City	21,211	4,250,762	294,319		4,545,081
Yankalilla District	4,193	77,838	112,620		190,458
Yorke Peninsula District	11,713	953,761	627,480		1,581,241
Outback Areas Cdt	4,882	1,139,115			1,139,115
Anangu Pitjantjatjara	2,266	900,216	111,951		1,012,167
Gerard Cty Council	89	35,133	14,916		50,049
Maralinga Tjarutja	137	73,409	40,054		113,463
Nepabunna Cty Council	66	22,536	14,850		37,386
Yalata Cty Council	229	126,456	32,248		158,704
<b>STATE TOTAL</b>	<b>1,554,656</b>	<b>92,310,159</b>	<b>25,317,811</b>	<b>4,468,000</b>	<b>122,095,970</b>

## **APPENDIX I - Member profiles**

### **Malcolm Germein AM**

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

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

Principal Consultant Synthesis Consultancy since 1996 and Commissioner of the Local Government Grants Commission since 2002. Prior employment as Principal Consultant, Optimum Outcomes Consultancy (NSW); Senior Policy Adviser Aged Care Australia (ACT); Senior Adviser to the Department Secretary Health Department (WA); Senior Policy Officer Western Australian Municipal Association; Research and Development Officer City of Wanneroo (WA) and project Co-ordinator Royal Prince Alfred Hospital (NSW); Board Member Greek Community of SA – Ridleyton Nursing Home since 2004. Board Member SA Housing Trust, 2005; South Australian Affordable Housing Board, 2006; Social Inclusion Board - SA, 2007.

### **John Ross, Cr**

Councillor of Tatiara Council since 1979; Chairman of Tatiara Council 1989-1992 and 2003 to present; 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 ForestrySA 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.

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## APPENDIX II - Freedom of Information Act 1991

### Statement Section 9

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

Refer Chapter 1 of this report.

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

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

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

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

#### *Categories of documents*

Annual reports of the Commission are available for perusal at the Commission's offices.

Other documents held by the Commission:

- Corporate files containing correspondence, memoranda, minutes etc on the Commission's operations;
- Administrative Policies and Procedures (many of which are prepared by other agencies), and files;
- registry files containing information and data returns;
- 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, then enquiries are redirected to that source.

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

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

	The Executive Officer
	Local Government Grants Commission
	Level 7, Roma Mitchell House
	North Terrace
	ADELAIDE SA 5000
Postal Address	PO Box 8326
	Station Arcade SA 5000
Telephone	(08) 8204 8719
Fax	(08) 8204 8735

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 2006-2007

Local Government Authority	2006/2007 Actual General Purpose Grant \$	2006/2007 Actual Road Grant \$	2006/2007 Special Road Grant \$	2006/2007 Total Actual Grant \$
Adelaide City	253,894	156,084	200,000	609,978
Adelaide Hills Council	672,935	533,453		1,206,388
Alexandrina Council	351,882	381,123	165,000	898,005
Barossa Council	357,900	325,439		683,338
Barunga West District	214,641	153,546		368,187
Berri Barmera Council	1,494,270	167,047		1,661,317
Burnside City	740,387	355,130		1,095,517
Campbelltown City	814,978	387,483		1,202,461
Ceduna District	1,423,240	324,620		1,747,860
Charles Sturt City	1,783,774	857,636		2,641,410
Clare And Gilbert Valleys Dc	261,469	279,128		540,596
Cleve District	636,344	261,116		897,460
Cooper Pedy	741,249	37,756		779,005
Coorong District	1,558,553	485,595		2,044,148
Copper Coast District	1,122,947	214,587		1,337,534
Elliston District	509,578	298,544		808,122
Flinders Ranges Council	743,718	218,775		962,494
Franklin Harbour District	613,553	187,148		800,701
Gawler Town	872,302	208,940		1,081,241
Goyder Regional Council	1,570,963	493,261		2,064,224
Grant District	758,111	249,898		1,008,009
Holdfast Bay City	590,965	273,750		864,715
Kangaroo Island Council	1,289,382	290,758		1,580,140
Karoonda East Murray District	756,724	248,524		1,005,247
Kimba District	595,374	221,281	450,000	1,266,654
Kingston District	400,812	182,697	190,000	773,509
Lehunte District	1,010,691	293,470		1,304,160
Light Regional Council	207,185	280,723	394,000	881,908
Lower Eyre Pen Dc	251,339	292,639	187,000	730,978
Loxton Waikerie District	2,065,717	546,327	545,000	3,157,044
Mallala District	709,196	180,005		889,200
Marion City	1,395,062	687,928	170,000	2,252,989
Mid Murray Council	1,987,449	475,795		2,463,245
Mitcham City	1,075,199	550,386		1,625,585
Mount Barker District	568,475	356,513		924,988
Mount Gambier City	1,294,784	274,670	110,000	1,679,454

<b>Local Government Authority</b>	<b>2006/2007 Actual General Purpose Grant \$</b>	<b>2006/2007 Actual Road Grant \$</b>	<b>2006/2007 Special Road Grant \$</b>	<b>2006/2007 Total Actual Grant \$</b>
Mount Remarkable District	1,022,527	266,744		1,289,271
Murray Bridge District	2,395,886	325,376		2,721,262
Naracoorte Lucindale Dc	1,286,217	355,079		1,641,296
Northern Areas Council	759,977	296,256		1,056,233
Norwood, Payneham And St. Peters	586,809	262,333		849,142
Onkaparinga City	6,367,346	1,672,923	125,000	8,165,269
Orroroo/Carrieton District	521,674	186,711		708,385
Peterborough Dc	900,926	180,222		1,081,148
Playford City	7,821,071	832,782		8,653,853
Port Adelaide Enfield	1,796,309	923,452		2,719,762
Port Augusta City	2,932,191	210,492		3,142,683
Port Lincoln City	711,876	170,914		882,791
Port Pirie City And Districts	3,604,869	321,015		3,925,884
Prospect City	330,899	146,734		477,633
Renmark Paringa District	1,653,261	168,479		1,821,740
Robe District	24,243	79,418	62,500	166,161
Roxby Downs Municipality	61,572	44,662		106,234
Salisbury City	8,173,767	1,042,782	136,100	9,352,649
Southern Mallee District	702,833	294,136		996,969
Streaky Bay District	864,195	334,099		1,198,293
Tatiara District	1,247,844	414,123	121,000	1,782,968
Tea Tree Gully City	1,723,184	849,311		2,572,495
Tumby Bay District	363,503	192,348		555,851
Unley City	626,432	277,533		903,965
Victor Harbor District	213,030	175,154		388,183
Wakefield Regional Council	948,077	368,046		1,316,123
Walkerville Town	122,024	56,248		178,272
Wattle Range Council	980,259	407,657	400,000	1,787,916
West Torrens Cty	907,328	437,533	1,011,400	2,356,261
Whyalla City	4,250,762	283,605		4,534,367
Yankalilla District	70,763	107,241		178,004
Yorke Peninsula District	867,057	602,593		1,469,650
Outback Areas Cdt	988,623			988,623
Anangu Pitjantjatjara	864,346	107,108		971,454
Gerard Cty Council	33,733	14,270		48,003
Maralinga Tjarutja	70,484	38,321		108,805
Nepabunna Cty Council	21,638	14,208		35,846
Yalata Cty Council	121,417	30,853		152,270
<b>STATE TOTAL</b>	<b>88,633,988</b>	<b>24,222,537</b>	<b>4,267,000</b>	<b>117,123,525</b>



**APPENDIX IV - Road lengths by council by surface type at 30 June 2006**  
(includes laneways)

<b>Council name</b>	<b>Sealed</b>	<b>Formed</b>	<b>Unformed</b>	<b>TOTAL</b>
Adelaide City	134	0	0	134
Adelaide Hills Council	604	477	10	1,091
Alexandrina Council	495	805	24	1,324
Barossa Council	326	588	48	962
Barunga West District	65	895	93	1,053
Berri Barmera Council	256	118	38	413
Burnside City	234	5	0	239
Campbelltown City	253	0	0	253
Ceduna District	67	1,420	223	1,710
Charles Sturt City	560	6	0	566
Clare And Gilbert Valleys Dc	206	1,432	187	1,824
Cleve District	57	1,222	116	1,396
Cooper Pedy	27	131	263	421
Coorong District	325	1,559	1	1,884
Copper Coast District	251	560	128	940
Elliston District	39	972	136	1,147
Flinders Ranges Council	18	908	336	1,261
Franklin Harbour District	57	841	37	935
Gawler Town	150	27	2	179
Goyder Regional Council	140	2,882	226	3,248
Grant District	444	833	320	1,597
Holdfast Bay City	175	0	0	175
Kangaroo Island Council	237	1,074	51	1,362
Karoonda East Murray District	81	1,168	48	1,298
Kimba District	54	1,026	634	1,714
Kingston District	114	563	57	734
Lehunte District	81	1,265	356	1,702
Light Regional	149	1,240	59	1,448
Lower Eyre Pen Dc	103	1,139	125	1,368
Loxton Waikerie District	360	1,755	200	2,315
Mallala District	113	705	136	954
Marion City	467	0	0	467
Mid Murray Council	308	2,091	982	3,381
Mitcham City	389	1	3	392
Mount Barker District	321	366	33	720
Mount Gambier City	191	1	0	192

<b>Council name</b>	<b>Sealed</b>	<b>Formed</b>	<b>Unformed</b>	<b>TOTAL</b>
Mount Remarkable District	84	1,547	432	2,063
Murray Bridge Rural City	375	560	35	970
Naracoorte Lucindale Dc	488	1,084	41	1,613
Northern Areas Council	120	1,802	274	2,197
Norwood, Payneham And St. Peters	170	0	0	170
Onkaparinga City	1,199	223	2	1,423
Orroroo/Carrieton District	34	897	696	1,628
Peterborough Dc	40	805	385	1,230
Playford City	632	115	6	754
Port Adelaide Enfield City	653	5	0	658
Port Augusta City	172	144	93	409
Port Lincoln City	149	7	2	158
Port Pirie City And Districts	303	656	212	1,171
Prospect City	90	0	0	90
Renmark Paringa District	300	139	52	491
Robe District	38	341	56	435
Roxby Downs Municipality	30	4	0	34
Salisbury City	723	7	0	730
Southern Mallee District	84	1,102	144	1,330
Streaky Bay District	53	1,449	219	1,721
Tatiara District	495	1,212	225	1,931
Tea Tree Gully City	568	10	6	584
Tumby Bay District	49	963	96	1,107
Unley City	170	0	0	170
Victor Harbor City	236	135	2	374
Wakefield Regional Council	189	2,178	313	2,680
Walkerville Town	36	0	0	36
Wattle Range Council	496	1,404	559	2,460
West Torrens City	293	0	0	293
Whyalla City	208	129	3	341
Yankalilla District	123	369	48	539
Yorke Peninsula District	440	3,209	236	3,884
<b>TOTAL</b>	<b>16,891</b>	<b>48,570</b>	<b>9,013</b>	<b>74,474</b>

## APPENDIX V – Cost Relativity Indices as used in the calculation of the 2007-08 Financial Assistance Grants

	Sealed Built-up Roads	Sealed Non-Built-up Roads	Un Sealed Built-up Roads	Un Sealed Non-Built-up Roads	Unformed Roads	Waste Management
Adelaide City	1.01	0.96	1.00	1.00	1.00	0.96
Adelaide Hills Council	1.04	1.07	1.17	1.08	1.14	1.06
Alexandrina Council	0.91	0.97	1.02	1.03	1.04	1.10
Barossa Council	1.00	1.02	1.03	1.03	1.05	1.07
Barunga West District	0.87	0.92	0.98	0.98	1.00	1.02
Berri Barmera Council	1.05	0.99	1.00	1.05	1.05	1.10
Burnside City	1.14	0.96	0.99	0.93	0.90	1.02
Campbelltown City	1.24	0.96	1.00	1.00	1.00	1.02
Ceduna District	0.89	0.94	1.01	1.01	1.00	1.24
Charles Sturt City	0.93	0.97	1.00	1.00	1.00	0.96
Clare And Gilbert Valleys Dc	1.01	0.97	0.99	1.00	1.04	1.15
Cleve District	0.87	0.92	0.98	0.98	1.00	0.97
Coober Pedy	0.90	0.94	0.98	0.98	1.00	1.20
Coorong District	0.89	0.94	1.00	1.00	1.02	1.20
Copper Coast District	0.87	0.92	0.98	0.98	1.00	1.04
Elliston District	0.84	0.83	0.96	0.95	0.92	1.10
Flinders Ranges Council	0.86	1.04	0.97	0.94	0.92	1.04
Franklin Harbour District	0.87	0.92	0.99	0.98	1.00	1.03
Gawler Town	0.89	0.99	1.01	1.04	1.11	1.02
Goyder Regional Council	0.89	0.90	0.99	0.99	1.00	1.22
Grant District	0.88	0.86	0.98	0.94	0.93	1.17
Holdfast Bay City	1.09	0.98	1.00	-	1.00	0.96
Kangaroo Island Council	0.94	0.98	1.00	1.03	0.99	1.15
Karoonda East Murray District	0.87	0.90	0.98	0.98	0.99	0.99
Kimba District	0.87	0.92	0.98	0.99	1.00	1.10
Kingston District	1.03	1.02	1.00	0.96	1.06	1.10
Lehunte District	0.88	0.92	1.00	0.98	0.99	1.02
Light Regional Council	0.85	0.94	0.98	0.99	1.02	1.16
Lower Eyre Pen Dc	0.91	0.94	0.98	0.99	1.00	1.34
Loxton Waikerie District	0.88	0.98	0.98	0.99	0.98	1.29
Mallala District	0.84	0.90	0.98	0.98	1.00	1.29
Marion City	1.08	0.96	0.98	0.98	1.00	0.96
Mid Murray Council	1.04	1.08	1.09	1.03	1.02	1.06
Mitcham City	1.11	0.99	0.94	0.98	1.01	1.01
Mount Barker District	0.96	0.99	0.98	1.00	1.03	1.05
Mount Gambier City	0.81	0.79	0.99	0.89	0.90	0.98
Mount Remarkable District	0.88	0.93	0.99	0.99	0.99	1.17
Murray Bridge District	0.85	1.00	1.00	1.01	1.03	1.09
Naracoorte Lucindale Dc	0.96	1.11	1.03	1.07	1.18	1.10
Northern Areas Council	0.88	0.91	1.01	1.01	1.01	1.12
Norwood, Payneham And St. Peters	1.18	0.96	1.00	1.00	1.00	0.98
Onkaparinga City	1.00	1.04	0.99	1.02	1.06	0.97
Orroroo/Carrieton District	0.87	0.90	0.98	0.97	0.96	1.23
Peterborough Dc	0.88	0.91	1.00	1.00	0.96	1.03
Playford City	1.09	1.02	1.07	1.01	1.05	0.96
Port Adelaide Enfield	1.05	0.97	1.19	1.00	1.00	0.97
Port Augusta City	0.87	0.90	0.98	0.98	1.00	1.02
Port Lincoln City	0.78	0.89	0.95	0.99	0.95	1.01
Port Pirie City And Districts	0.88	0.91	1.00	1.01	1.00	0.99
Prospect City	0.96	0.97	1.00	1.00	1.00	0.97
Renmark Paringa District	1.21	1.20	1.21	1.08	1.09	0.99
Robe District	0.98	0.94	0.98	1.04	1.08	1.06
Roxby Downs Municipality	0.88	0.90	0.99	0.98	1.00	0.96
Salisbury City	1.04	0.95	1.12	1.05	1.00	0.97
Southern Mallee District	0.88	0.94	1.01	1.00	0.97	1.19
Streaky Bay District	0.76	0.82	0.95	0.95	0.97	0.99
Tatiara District	1.06	1.07	1.15	1.04	1.05	1.07
Tea Tree Gully City	1.07	1.07	1.07	1.01	1.08	0.97
Tumby Bay District	0.88	0.92	1.01	1.01	1.00	1.15
Unley City	1.26	0.97	1.00	1.00	1.00	0.96
Victor Harbor District	0.88	0.95	0.94	0.98	0.92	1.04
Wakefield Regional Council	0.88	0.90	1.00	1.01	1.00	1.12
Walkerville Town	1.06	0.96	1.00	1.00	1.00	0.96
Wattle Range Council	0.98	1.15	1.00	1.04	1.11	1.23
West Torrens City	0.93	0.97	1.00	1.00	1.00	0.97
Whyalla City	0.84	0.89	1.00	1.01	1.00	0.98
Yankalilla District	0.99	1.08	0.99	1.02	1.05	1.05
Yorke Peninsula District	0.87	0.89	0.99	0.99	0.97	1.03

## APPENDIX VI – Revenue relativity index

	SEIFA Index of Economic-Resources	Converted to be centred around 1
Adelaide City	1,093.00	1.158784
Adelaide Hills Council	1,035.28	1.097590
Alexandrina Council	920.65	0.976061
Barossa Council	981.24	1.040298
Barunga West District	885.03	0.938297
Berri Barmera Council	940.90	0.997530
Burnside City	1,108.25	1.174952
Campbelltown City	971.29	1.029749
Ceduna District	937.08	0.993480
Charles Sturt City	959.33	1.017069
Clare And Gilbert Valleys Dc	948.87	1.005979
Cleve District	915.44	0.970537
Cooper Pedy	865.65	0.917751
Coorong District	894.35	0.948178
Copper Coast District	874.45	0.927080
Elliston District	884.04	0.937248
Flinders Ranges Council	905.27	0.959755
Franklin Harbour District	879.15	0.932063
Gawler Town	956.08	1.013623
Goyder Regional Council	885.23	0.938509
Grant District	967.84	1.026091
Holdfast Bay City	1,039.02	1.101555
Kangaroo Island Council	908.44	0.963116
Karoonda East Murray District	888.11	0.941563
Kimba District	917.51	0.972732
Kingston District	925.37	0.981065
Lehunte District	895.26	0.949143
Light Regional Council	958.48	1.016168
Lower Eyre Pen Dc	931.66	0.987734
Loxton Waikerie District	927.00	0.982793
Mallala District	940.30	0.996894
Marion City	968.99	1.027310
Mid Murray Council	875.85	0.928565
Mitcham City	1,040.44	1.103061
Mount Barker District	971.16	1.029611
Mount Gambier City	949.96	1.007135
Mount Remarkable District	889.51	0.943047
Murray Bridge District	897.63	0.951655
Naracoorte Lucindale Dc	959.11	1.016836
Northern Areas Council	885.71	0.939018
Norwood, Payneham And St. Peters	1,028.57	1.090476
Onkaparinga City	968.52	1.026812
Orroroo/Carrieton District	877.11	0.929900
Peterborough Dc	831.13	0.881153
Playford City	909.10	0.963816
Port Adelaide Enfield	919.36	0.974693
Port Augusta City	930.72	0.986737
Port Lincoln City	945.18	1.002067
Port Pirie City And Districts	896.67	0.950638
Prospect City	1,032.38	1.094516
Renmark Paringa District	924.78	0.980440
Robe District	956.55	1.014122
Roxby Downs Municipality	1,171.34	1.241839
Salisbury City	939.60	0.996152
Southern Mallee District	926.52	0.982284
Streaky Bay District	886.19	0.939527
Tatiara District	940.38	0.996978
Tea Tree Gully City	1,006.10	1.066654
Tumby Bay District	885.29	0.938573
Unley City	1,073.29	1.137888
Victor Harbor District	903.24	0.957603
Wakefield Regional Council	897.99	0.952037
Walkerville Town	1,103.83	1.170266
Wattle Range Council	945.31	1.002205
West Torrens Cty	963.67	1.021670
Whyalla City	925.10	0.980779
Yankalilla District	902.44	0.956755
Yorke Peninsula District	871.35	0.923794

## 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 2005, 2006 and 2007 averaged)

Unit of Measure :	Residential	Commercial	Industrial	Rural	Other
Adelaide City	232,764	278,764	1,373	1	67,059
Adelaide Hills Council	121,158	3,751	505	37,910	5,018
Alexandrina Council	127,900	5,162	811	61,688	19,910
Barossa Council	87,890	8,494	10,889	50,932	6,600
Barunga West District	76,748	4,230	1,028	169,414	7,566
Berri Barmera Council	54,196	7,618	2,000	25,945	5,791
Burnside City	239,974	13,693	139	109	7,606
Campbelltown City	122,540	3,895	558	83	3,627
Ceduna District	44,374	8,992	410	18,432	6,849
Charles Sturt City	128,787	12,796	2,632	32	3,516
Clare And Gilbert Valleys Dc	58,998	8,372	968	134,235	5,785
Cleve District	38,989	11,000	30	113,727	5,159
Cooper Pedy	23,716	8,879	121	-	2,468
Coorong District	42,333	4,450	83	122,963	6,163
Copper Coast District	100,266	8,172	677	20,873	19,076
Elliston District	55,901	7,709	91	133,637	8,159
Flinders Ranges Council	35,679	3,841	244	32,722	3,614
Franklin Harbour District	50,353	5,911	188	56,670	9,842
Gawler Town	85,317	8,776	309	5,734	3,823
Goyder Regional Council	31,744	2,910	319	141,497	1,832
Grant District	50,405	1,866	2,529	155,867	5,076
Holdfast Bay City	201,413	16,114	589	-	8,046
Kangaroo Island Council	95,642	11,183	705	66,186	24,473
Karoonda East Murray District	14,734	3,041	118	117,092	2,389
Kimba District	22,282	8,659	-	117,288	3,704
Kingston District	82,982	6,319	413	157,241	15,161
Lehunte District	16,469	7,457	51	87,391	2,113
Light Regional Council	69,499	4,986	5,313	85,319	6,166
Lower Eyre Pen Dc	86,648	6,419	256	133,313	16,002
Loxton Waikerie District	48,968	4,793	1,239	53,319	4,063
Mallala District	66,429	1,556	367	53,440	6,629
Marion City	110,651	13,207	1,899	80	4,575
Mid Murray Council	98,937	3,757	698	52,231	14,095
Mitcham City	147,332	6,797	925	542	6,317
Mount Barker District	87,648	7,928	851	29,409	7,283
Mount Gambier City	73,923	12,092	2,195	338	3,821
Mount Remarkable District	38,352	3,888	91	88,313	3,965
Murray Bridge District	60,157	8,717	3,201	18,759	5,229
Naracoorte Lucindale Dc	49,552	6,913	787	159,539	4,435
Northern Areas Council	31,148	5,969	509	169,976	2,644
Norwood, Payneham And St. Peters	174,397	30,034	2,326	11	9,539
Onkaparinga City	87,405	5,575	1,244	6,491	4,922
Orroroo/Carrieton District	23,776	2,728	217	102,083	3,032
Peterborough Dc	27,160	3,738	287	29,862	1,447
Playford City	56,647	5,906	1,626	9,521	3,000
Port Adelaide Enfield	98,431	15,026	7,476	48	7,582
Port Augusta City	51,902	7,712	197	677	2,237
Port Lincoln City	89,675	15,499	3,041	804	9,239
Port Pirie City And Districts	45,864	5,377	854	14,134	2,743
Prospect City	159,520	12,300	150	-	2,949
Renmark Paringa District	51,275	5,792	1,389	48,622	3,049
Robe District	217,607	18,501	2,259	186,831	44,983
Roxby Downs Municipality	102,443	7,100	88	-	7,339
Salisbury City	74,086	8,204	2,256	525	4,110
Southern Mallee District	20,470	4,688	207	128,734	2,021
Streaky Bay District	52,139	8,252	236	60,070	10,202
Tatiara District	34,009	6,660	1,321	178,913	3,816
Tea Tree Gully City	100,671	7,780	752	667	2,552
Tumby Bay District	63,555	8,865	96	120,116	10,790
Unley City	197,396	19,678	275	2	8,734
Victor Harbor District	142,517	11,864	555	17,988	24,932
Wakefield Regional Council	35,259	5,511	619	150,887	3,094
Walkerville Town	253,946	6,823	-	-	10,995
Wattle Range Council	52,407	4,789	6,372	140,405	5,366
West Torrens City	125,088	18,282	5,030	77	5,404
Whyalla City	48,580	6,237	533	314	1,481
Yankalilla District	157,697	7,066	558	76,999	36,401
Yorke Peninsula District	121,561	5,831	671	151,057	12,142
<b>State</b>	<b>106,824</b>	<b>12,398</b>	<b>2,033</b>	<b>17,457</b>	<b>6,442</b>

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

Data sourced from Councils and the Australian Bureau of Statistics as at 30 June 2006.

<i>Function :</i>	Waste Management	Aged Care Services	Services to Families & Children	Health Inspection	Libraries	Sport and Recreation
<i>Unit of Measure :</i>	Number of Residential Properties	Population Aged > 65 years	Population Aged 0-14 years	Establishments to Inspect	Number of Library Visitors	Population Aged 5-49 years
Adelaide City	8,199	1,881	908	1,370	685,546	10,012
Adelaide Hills Council	12,158	4,281	7,639	1,343	279,795	24,111
Alexandrina Council	9,986	3,773	3,639	211	195,457	10,893
Barossa Council	7,107	2,999	4,116	465	132,633	12,503
Barunga West District	1,353	613	433	78	60,250	1,256
Berri Barmera Council	3,841	1,659	2,319	223	191,686	6,774
Burnside City	18,143	8,436	6,429	547	335,015	23,738
Campbelltown City	19,743	8,757	7,724	425	206,936	27,822
Ceduna District	1,177	356	882	62	75,000	2,242
Charles Sturt City	45,747	19,504	16,297	1,154	670,537	60,266
Clare And Gilbert Valleys Dc	2,652	1,428	1,519	267	146,565	4,608
Cleve District	596	309	375	29	20,000	1,052
Cooper Pedy	1,323	295	343	37	29,400	1,172
Coorong District	1,853	895	1,156	130	86,284	3,245
Copper Coast District	6,330	2,587	2,132	181	160,555	5,936
Elliston District	504	132	263	30	23,757	701
Flinders Ranges Council	735	293	373	47	27,200	949
Franklin Harbour District	532	227	254	21	31,916	733
Gawler Town	7,955	3,121	3,690	386	98,038	11,960
Goyder Regional Council	1,364	729	766	53	57,738	2,266
Grant District	2,175	899	1,588	146	46,389	5,151
Holdfast Bay City	16,791	8,094	4,131	500	305,448	18,437
Kangaroo Island Council	2,555	589	913	158	29,430	2,701
Karoonda East Murray District	243	200	205	15	57,120	644
Kimba District	319	233	246	43	6,868	659
Kingston District	1,123	378	413	40	64,029	1,318
Lehunte District	373	197	304	28	22,900	892
Light Regional Council	3,502	1,385	2,614	181	48,341	7,735
Lower Eyre Pen Dc	1,511	598	994	15	137,900	2,709
Loxton Waikerie District	3,917	1,800	2,513	255	62,977	7,352
Mallala District	2,362	710	1,746	66	14,342	5,356
Marion City	34,602	14,629	13,290	721	430,426	47,769
Mid Murray Council	4,765	1,518	1,440	257	54,659	4,534
Mitcham City	24,740	10,765	10,452	942	480,527	36,180
Mount Barker District	8,648	2,630	6,051	642	168,896	17,120
Mount Gambier City	10,292	3,234	5,314	276	92,778	15,011
Mount Remarkable District	1,333	555	523	42	-	1,527
Murray Bridge District	6,849	2,945	3,800	338	140,472	10,705
Naracoorte Lucindale Dc	2,563	1,149	1,706	174	68,862	5,165
Northern Areas Council	1,485	867	998	56	51,100	2,603
Norwood, Payneham And St. Peters	16,117	6,278	4,556	555	182,039	20,513
Onkaparinga City	58,748	17,933	31,293	1,550	1,072,622	98,006
Orroroo Carrieton District	342	211	155	26	22,346	491
Peterborough Dc	944	400	348	50	12,238	922
Playford City	25,951	8,774	17,036	686	381,049	47,265
Port Adelaide Enfield	46,255	17,374	18,001	1,325	607,270	63,504
Port Augusta City	6,085	1,739	2,957	234	96,300	8,565
Port Lincoln City	5,959	1,937	3,105	225	107,039	9,382
Port Pirie City And Districts	7,279	2,972	3,634	277	98,329	10,102
Prospect City	8,560	2,697	3,179	250	105,749	12,553
Renmark Paringa District	3,087	1,506	2,058	168	53,719	5,923
Robe District	1,085	252	297	26	45,090	779
Roxby Downs Municipality	1,300	49	1,104	42	70,500	2,869
Salisbury City	46,226	12,504	25,040	1,188	562,884	80,127
Southern Mallee District	616	347	476	29	35,710	1,271
Streaky Bay District	882	259	448	40	87,890	1,280
Tatiara District	1,806	937	1,637	154	96,729	4,467
Tea Tree Gully City	36,937	11,443	19,003	860	382,072	63,300
Tumby Bay District	967	563	481	29	52,729	1,384
Unley City	15,953	5,484	5,475	551	303,636	22,448
Victor Harbor District	6,338	3,923	1,613	252	72,115	5,156
Wakefield Regional Council	2,117	1,128	1,318	166	146,286	3,787
Walkerville Town	3,044	1,479	995	73	67,238	3,920
Wattle Range Council	4,317	1,759	2,636	142	339,563	7,393
West Torrens Cty	24,995	10,423	7,528	767	133,833	31,343
Whyalla City	10,281	2,965	4,618	205	106,556	13,206
Yankalilla District	2,648	780	731	72	79,700	2,144
Yorke Peninsula District	8,430	2,753	1,949	144	188,764	5,609

<i>Function :</i>	Sealed Built Up Roads	Sealed Non Built Up Roads	Sealed Built-Up Roads (Footpaths, kerbing, street lighting etc)	Unsealed Built Up Roads	Unsealed Non Built Up Roads	Unformed Roads
<i>Unit of Measure :</i>	Sealed Built Up Kms	Sealed Non Built Up Kms	Sealed Built Up Kms	Unsealed Built Up Kms	Unsealed Non Built Up Kms	Unformed Kms
Adelaide City	130	-	130	-	-	-
Adelaide Hills Council	204	397	204	7	469	10
Alexandrina Council	222	272	222	25	780	24
Barossa Council	135	191	135	12	576	48
Barunga West District	30	35	30	8	887	93
Berri Barmera Council	66	190	66	2	116	38
Burnside City	228	-	228	-	5	0
Campbelltown City	252	-	252	-	0	-
Ceduna District	38	29	38	4	1,416	223
Charles Sturt City	559	-	559	6	-	0
Clare And Gilbert Valleys De	74	131	74	13	1,419	187
Cleve District	21	37	21	8	1,214	116
Cooper Pedy	24	3	24	30	101	263
Coorong District	54	271	54	12	1,547	1
Copper Coast District	144	105	144	47	509	128
Elliston District	22	17	22	8	964	136
Flinders Ranges Council	18	-	18	13	895	336
Franklin Harbour District	18	39	18	-	841	37
Gawler Town	125	25	125	7	20	2
Goyder Regional Council	67	73	67	33	2,849	226
Grant District	29	415	29	2	831	320
Holdfast Bay City	172	-	172	-	-	-
Kangaroo Island Council	52	186	52	56	1,017	51
Karoonda East Murray District	7	74	7	6	1,162	48
Kimba District	12	42	12	10	1,016	634
Kingston District	37	77	37	6	558	57
Lehunte District	18	63	18	7	1,258	356
Light Regional Council	65	84	65	27	1,211	59
Lower Eyre Pen De	40	62	40	17	1,122	125
Loxton Waikerie District	67	293	67	16	1,740	200
Mallala District	68	45	68	52	653	136
Marion City	467	-	467	0	-	-
Mid Murray Council	72	234	72	29	2,062	982
Mitcham City	373	15	373	0	0	3
Mount Barker District	154	165	154	18	347	33
Mount Gambier City	183	8	183	-	1	0
Mount Remarkable District	20	64	20	23	1,524	432
Murray Bridge District	135	240	135	9	550	35
Naracoorte Lucindale De	80	408	80	3	1,081	41
Northern Areas Council	61	59	61	32	1,771	274
Norwood, Payneham And St. Peters	157	-	157	-	-	-
Onkaparinga City	942	251	942	9	214	2
Orroroo/Carrieton District	18	16	18	7	890	696
Peterborough De	31	8	31	7	799	385
Playford City	407	225	407	1	115	6
Port Adelaide Enfield	651	-	651	5	-	-
Port Augusta City	133	38	133	33	111	93
Port Lincoln City	142	6	142	4	4	2
Port Pirie City And Districts	176	127	176	11	644	212
Prospect City	87	-	87	-	-	-
Renmark Paringa District	48	252	48	6	133	52
Robe District	29	9	29	2	340	56
Roxby Downs Municipality	24	6	24	-	4	-
Salisbury City	699	22	699	3	4	-
Southern Mallee District	25	60	25	7	1,095	144
Streaky Bay District	28	26	28	16	1,432	219
Tatiara District	80	415	80	13	1,199	225
Tea Tree Gully City	548	17	548	3	8	6
Tumby Bay District	28	21	28	5	958	96
Unley City	164	-	164	-	-	-
Victor Harbor District	125	111	125	11	124	2
Wakefield Regional Council	65	124	65	7	2,171	313
Walkerville Town	35	-	35	-	-	-
Wattle Range Council	142	352	142	36	1,366	559
West Torrens City	290	-	290	-	-	-
Whyalla City	192	13	192	5	58	3
Yankalilla District	49	74	49	4	365	48
Yorke Peninsula District	154	286	154	66	3,143	236

<i>Function</i> :	Stormwater Drainage - Maintenance	Community Support	Jetties and Wharves	Public Order and Safety	Planning & Building Control	Bridges
<i>Unit of Measure</i> :	No. of Urban, Industrial & Commercial Properties (excluding exempt)	Population x CRI (SEIFA Index of Advantage/Disadvantage)	Number of Jetties and Wharves	Total Number of Properties	Number of New Developments & Additions	Number of Bridges
Adelaide City	17,534	12,374	-	21,083	1,020	5
Adelaide Hills Council	12,784	35,149	-	18,072	1,406	29
Alexandrina Council	10,491	21,167	29	17,269	1,905	52
Barossa Council	7,760	20,753	-	11,772	1,121	30
Barunga West District	1,421	2,743	-	2,765	146	-
Berri Baramba Council	4,276	11,817	5	6,562	357	-
Burnside City	19,187	35,517	-	21,459	758	11
Campbelltown City	20,374	46,050	-	22,145	1,268	15
Ceduna District	1,343	3,651	3	2,424	101	-
Charles Sturt City	48,906	104,174	-	53,218	2,673	-
Clare And Gilbert Valleys Dc	3,020	8,428	-	6,857	456	28
Cleve District	681	1,963	1	1,634	74	-
Coober Pedy	1,447	2,265	-	1,966	30	-
Coorong District	2,024	6,177	4	4,683	270	-
Copper Coast District	6,741	12,672	1	10,251	733	-
Elliston District	559	1,194	1	1,461	120	-
Flinders Ranges Council	791	1,799	-	2,218	74	-
Franklin Harbour District	568	1,423	-	1,215	79	2
Gawler Town	8,429	19,836	-	9,654	906	7
Goyder Regional Council	1,529	4,411	-	4,853	145	10
Grant District	2,283	8,322	-	5,681	411	1
Holdfast Bay City	18,162	31,334	1	20,999	1,335	4
Kangaroo Island Council	2,751	4,714	1	5,596	387	35
Karoonda East Murray District	277	1,241	-	1,412	43	-
Kimba District	372	1,198	-	1,046	36	-
Kingston District	1,213	2,429	1	2,524	132	-
Lehunte District	447	1,447	-	1,323	35	-
Light Regional Council	3,860	12,214	-	7,162	826	24
Lower Eyre Pen Dc	1,612	4,466	3	3,536	294	2
Loxton Waikerie District	4,267	12,877	-	8,440	367	-
Mallala District	2,432	8,365	-	4,663	384	3
Marion City	36,280	79,870	-	40,349	2,761	5
Mid Murray Council	4,948	9,191	12	10,547	685	12
Mitcham City	25,972	55,242	-	28,970	1,840	18
Mount Barker District	9,365	25,781	-	13,555	1,366	66
Mount Gambier City	11,374	24,981	-	12,805	738	1
Mount Remarkable District	1,423	2,980	1	3,381	100	9
Murray Bridge District	7,391	19,688	10	10,673	633	80
Naracoorte Lucindale Dc	2,896	8,494	-	6,436	309	27
Northern Areas Council	1,653	4,860	-	4,380	197	16
Norwood, Payneham And St. Peters	18,312	30,634	-	20,259	1,135	-
Onkaparinga City	61,580	156,593	1	71,668	4,867	49
Orroroo/Carrieton District	389	997	-	1,612	36	-
Peterborough Dc	1,033	2,095	-	1,938	63	-
Playford City	26,934	79,136	-	32,352	2,574	3
Port Adelaide Enfield	50,445	110,418	-	57,631	3,922	6
Port Augusta City	6,529	14,488	3	7,594	437	6
Port Lincoln City	6,712	15,195	3	8,276	433	1
Port Pirie City And Districts	7,805	18,941	5	10,625	495	7
Prospect City	9,152	17,406	-	9,933	620	-
Renmark Paringa District	3,362	10,469	1	5,428	252	5
Robe District	1,176	1,424	1	2,295	121	-
Roxby Downs Municipality	1,385	3,282	-	1,557	168	-
Salisbury City	48,298	129,314	-	53,699	3,754	5
Southern Mallee District	706	2,259	-	1,993	99	-
Streaky Bay District	960	2,146	1	2,288	117	-
Tatiara District	2,085	7,351	-	4,877	169	16
Tea Tree Gully City	38,399	96,031	-	41,355	2,386	5
Tumby Bay District	1,041	2,816	2	2,254	145	58
Unley City	17,441	31,138	-	19,081	1,287	47
Victor Harbor District	6,764	12,855	-	9,915	836	26
Wakefield Regional Council	2,320	7,038	-	5,546	255	24
Walkerville Town	3,161	5,907	-	3,546	320	-
Wattle Range Council	4,720	13,057	-	9,601	476	-
West Torrens City	27,332	52,015	-	30,426	1,381	15
Whyalla City	10,914	22,643	3	11,618	722	-
Yankalilla District	2,769	4,293	2	5,153	465	15
Yorke Peninsula District	8,822	12,543	12	14,044	979	-



## APPENDIX IX - Background of Financial Assistance Grants to local government

- i) Annual reports of the interim State Grants Commission and the South Australian Local Government Grants Commission presented since 1976 have contained detailed information on the history of the provision of Commonwealth general Financial Assistance Grants to local government in Australia.
- ii) Further information particularly with regard to the general methodology is also available in the 1974, 1975, 1976 and 1977 reports of the Commonwealth Grants Commission dealing with financial assistance for local government, the Report of the National Inquiry into Local Government Finance (Self Report) published in 1985<sup>1</sup> and the 1991 report of the Commonwealth Grants Commission on the Distribution of General Purpose Grants for Local Government.<sup>2</sup>
- iii) The following is a summary of important events since the commencement of the Commonwealth's involvement in the provision of financial assistance to local government:
  - *Commonwealth Grants Commission Act, 1973* - 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 for 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.

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

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

- *May 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 indexed in line, to reflect the change in the Financial Assistance Grants.
- *July 2007* – The South Australian Local Government Grants 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.

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## APPENDIX X - 2006 General Information, Supplementary Return & Financial Statements

The South Australian Local Government Grants Commission would like to extend its sincere thanks to those local governments who submitted their 2006 General Information, Supplementary Returns and their Audited Financial Statements by the due date of 30 November 2006 and thereby facilitated the timely determination of grants.

The local governments responsible are:-

- |                            |                                  |
|----------------------------|----------------------------------|
| 1. Adelaide City           | 32. Norwood, Payneham, St Peters |
| 2. Adelaide Hills          | 33. Onkaparinga                  |
| 3. Alexandrina             | 34. Peterborough                 |
| 4. Barossa                 | 35. Playford                     |
| 5. Barunga West            | 36. Port Adelaide, Enfield       |
| 6. Burnside                | 37. Port Lincoln                 |
| 7. Campbelltown            | 38. Prospect                     |
| 8. Ceduna                  | 39. Renmark Paringa              |
| 9. Charles Sturt           | 40. Robe                         |
| 10. Cleve                  | 41. Southern Mallee              |
| 11. Coorong                | 42. Streaky Bay                  |
| 12. Copper Coast           | 43. Tatiara                      |
| 13. Elliston               | 44. Tea Tree Gully               |
| 14. Flinders Ranges        | 45. Tumby Bay                    |
| 15. Gawler                 | 46. Unley                        |
| 16. Goyder                 | 47. Victor Harbor                |
| 17. Grant                  | 48. Wakefield Region             |
| 18. Holdfast Bay           | 49. Wattle Range                 |
| 19. Kangaroo Island        | 50. West Torrens                 |
| 20. Karoonda/East Murray   | 51. Whyalla                      |
| 21. Kimba                  | 52. Yorke Peninsula              |
| 22. Kingston District      |                                  |
| 23. Le Hunte               |                                  |
| 24. Marion                 |                                  |
| 25. Mid Murray             |                                  |
| 26. Mitcham                |                                  |
| 27. Mount Barker           |                                  |
| 28. Mount Gambier          |                                  |
| 29. Murray Bridge          |                                  |
| 30. Naracoorte / Lucindale |                                  |
| 31. Northern Areas         |                                  |

**APPENDIX XI - Financial Statements**

**SA LOCAL GOVERNMENT GRANTS COMMISSION**

# Financial Statements

Financial Year Ended 30 June 2007

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**SA LOCAL GOVERNMENT GRANTS COMMISSION**
**INCOME STATEMENT**
**For the Year Ended 30 June 2007**

	Note	2007 \$' 000	2006 \$' 000
<b>Expenses</b>			
Employee benefits costs	6.	312	263
Supplies and services	7.	137	130
<b>Total Expenses</b>		<b>449</b>	<b>393</b>
<b>Income</b>			
Revenue from fees and charges	9	20	26
Interest revenue	10	265	51
Other income	11	6	48
<b>Total Income</b>		<b>291</b>	<b>125</b>
<b>Net Cost of providing Services</b>		<b>158</b>	<b>268</b>
<b>Revenues from / Payments to SA Government</b>			
Revenues from SA Government	12	432	377
<b>Net Result before restructure</b>		<b>274</b>	<b>109</b>
<b>Net Result after Restructure</b>		<b>274</b>	<b>109</b>

**The Net Result after restructure is attributable to the SA Government as owner**

The above Statement should be read in conjunction with accompanying notes.

**BALANCE SHEET**

As at 30 June 2007

	Note	2,007 \$' 000	2006 \$' 000
<b>Current Assets</b>			
Cash	13	492	218
Receivables	14	14	14
<b>Total Current Assets</b>		<b>506</b>	<b>232</b>
<b>Total Non-Current Assets</b>		<b>-</b>	<b>-</b>
<b>Total Assets</b>		<b>506</b>	<b>232</b>
<b>Current Liabilities</b>			
Payables	15	10	10
Employee benefits	16	29	30
<b>Total Current Liabilities</b>		<b>39</b>	<b>40</b>
<b>Non-Current Liabilities</b>			
Payables	15	2	2
Employee benefits	16	22	21
<b>Total Non-Current Liabilities</b>		<b>24</b>	<b>23</b>
<b>Total Liabilities</b>		<b>63</b>	<b>63</b>
<b>Net Assets</b>		<b>443</b>	<b>169</b>
<b>Equity</b>			
Retained earnings	17	443	169
<b>Total Equity</b>		<b>443</b>	<b>169</b>

**The Total Equity is attributable to the SA Government as owner.**

Commitments	18
Contingent Assets and Liabilities	19

The above Statement should be read in conjunction with accompanying notes.



## STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2007

	Note No.	Retained earnings \$'000	Total \$'000
Balance at 30 June 2005	17	169	169
Restated balance at 30 June 2006		169	169
<b>Net income/expense recognised directly in equity for 2006-07</b>		-	-
<b>Net result after restructure for 2006-07</b>		274	274
<b>Total recognised income and expense for 2006-07</b>		274	274
Balance at 30 June 2007	17	443	443
<b>All changes in equity are attributable to the SA Government as owner</b>			

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

## CASH FLOW STATEMENT

For the Year Ended 30 June 2007

	Note	2007 \$' 000	2006 \$' 000
		Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from Operating Activities</b>			
<b>Cash Outflows</b>			
Employee benefit payments		(312)	(276)
Supplies and services		(137)	(158)
<b>Cash used in operations</b>		<b>(449)</b>	<b>(434)</b>
<b>Cash Inflows</b>			
Fees and charges		20	23
Interest received		265	44
Other receipts		6	-
<b>Cash generated from operations</b>		<b>291</b>	<b>67</b>
<b>Cash Flows From SA Government</b>			
Receipts from SA Government		432	377
<b>Cash generated from SA Government</b>		<b>432</b>	<b>377</b>
<b>Net Cash provided by operating activities</b>	20	<b>274</b>	<b>10</b>
<b>Net Increase/(Decrease) in cash</b>		<b>274</b>	<b>10</b>
Cash at 1 July		218	208
<b>Cash at 30 June</b>	13	<b>492</b>	<b>218</b>

The above Statement should be read in conjunction with accompanying notes.

# Notes to the Financial Statements

Financial Year Ended 30 June 2007

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**SA LOCAL GOVERNMENT GRANTS COMMISSION**


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**Notes to the Financial Statements**


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**1. Objectives of the SA Local Government Grants Commission**

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

**2. Summary of significant accounting policies**
**a) Basis of Accounting**

The financial report is a general purpose financial report. The accounts have been prepared in accordance with the applicable Australian Accounting Standards and Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

*Statement of Compliance*

AAS's include AIFRS and AAS 29. The Department has early-adopted the amendments to AASB 101. Refer Note 4.

The preparation of the financial report requires:

- the use of certain accounting estimates requires management to exercise its judgement in the process of applying the Commission's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, these are outlined in the applicable notes; and
- compliance with accounting policy statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*, by authority of Treasurer's Instruction 19 *Financial Reporting*. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, that have been included in this financial report:
  - 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 Income Statement);
  - c) employee target voluntary separation package information;
  - d) employees whose normal remuneration is \$100 000 or more (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees; and
  - e) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

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

The Cash Flow Statement has been prepared on a cash basis.

The financial report has been prepared based on a twelve month operating cycle and presented in Australian currency.

**b) Reporting Entity**

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

**c) Transferred Functions**

There have been no transferred functions to or from the Commission during 2006-07.

**d) Comparative Information**

The presentation and classification of items in the financial report are consistent with prior periods except where a specific Accounting Policy Statement or Australian Accounting Standard has required a change.

Where presentation or classification of items in the financial report has been amended comparative amounts have been reclassified unless reclassification is impracticable.

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

**e) Rounding**

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

**f) Taxation**

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

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

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

The net amount of the GST receivable/payable to the Australian Taxation Office is not recognised as a receivable/payable in the Balance Sheet as the Commission is a member of an approved GST group of which the Department of Primary Industries and Resources SA is responsible for the remittance and collection of GST.

Cash flows are included in the Cash Flow Statement on a gross basis and there are cash flows relating to GST transactions with the Australian Taxation Office in the Cash Flow Statement.

**g) Income and Expenses**

Income and expenses are recognised in the Commission's Income Statement when and only when it is probable that the flow of economic benefits to or from the entity will occur and can be reliably measured.

Income and expenses have been classified according to their nature in accordance with Accounting Policy Framework II *General Purpose Financial Reporting Framework* paragraph APS 3.5 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.

In accordance with Accounting Policy Framework II *General Purpose Financial Reporting Framework* paragraph APS 4.1 and 4.2 the financial report's notes disclose revenues, expenses, financial assets and financial liabilities 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/Payments to 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 their receipt. Appropriation receipts are accounted for in accordance with Treasurer's Instruction 3 *Appropriation*.

**Resources received/provided free of charge**

Resources received/provided free of charge are recorded as revenue and expenditure in the Income Statement at their fair value. Resources provided free of charge are recorded in the expense line items to which they relate.

**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.

**h) Current and Non-Current Classification**

Assets and liabilities are characterised as either current or non-current in nature. The SA Local Government Grants Commission has a clearly identifiable operating cycle of twelve months. 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.

**i) Cash**

The Commission has a Special Deposit Account with the Department of Treasury and Finance which represents cash for purposes of the Cash Flow Statement.

Cash is measured at nominal value.

**j) Receivables**

Receivables include amounts receivable from trade, prepayments and other accruals.

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

Other debtors arise outside the normal course of selling goods and services to other agencies and to the public. Collectibility of trade receivables and loans is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the department will not be able to collect the debt.

**t) Payables**

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

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

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

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

Employment on-costs include superannuation contributions and payroll tax with respect to outstanding liabilities for salaries and wages, long service leave and annual leave.

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

**u) 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*

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

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

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

*Long service leave*

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

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

*Provisions*

Provisions are recognised when the Commission has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Commission expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Income Statement net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted for the time value of money and the risks specific to the liability.

**v) Leases**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement. The Commission has assessed whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. The Department has entered into operating leases.

*Operating leases*

In respect of operating leases, the lessor retains substantially all the risks and rewards incidental to ownership of the leased assets. Operating lease payments are recognised as an expense on a basis that is representative of the pattern of benefits derived from the leased assets.

The aggregate benefit of lease incentives received by the department in respect of operating leases have been recorded as a reduction of rental expense over the lease term, on a straight line basis.

**3. Financial risk management**

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

The Commission has no significant concentration of credit risk. The Commission has policies and procedures in place to ensure transactions occur with customers with appropriate credit history.

In relation to liquidity/funding risk, the continued existence of the Commission in its present form, and with its present programs, is dependent on State Government policy and on continuing appropriations by Parliament for the Commission's administration and programs.

**4. Changes in accounting policies**

Except for the amendments to AASB 101, which the Department has early adopted, the AAS's and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Department for the reporting period ending 30 June 2007. The Department 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 report of the Department.

**5. Programs of the Commission**

The Commission has identified that there is no requirement for further detailed program disclosure as the program is consistent with the objectives of the Commission in total.



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**SA LOCAL GOVERNMENT GRANTS COMMISSION**


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**6. Employee benefit expenses**

	2007	2006
	\$' 000	\$' 000
Salaries and wages	207	186
Annual leave	16	14
Long service leave	3	(18)
Employment on-costs - superannuation	26	23
Employment on-costs - other	16	13
Board fees	44	45
<b>Total Employee benefits costs</b>	<b>312</b>	<b>263</b>

**Targeted Voluntary Separation Packages (TVSPs)**

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

**Remuneration of Employees**

There were no employees whose remuneration received or receivable is greater than \$100,000.

**7. Supplies and services**

	2007	2006
	\$' 000	\$' 000
<b>Supplies and Services provided by entities within SA Government</b>		
Professional and technical services <sup>(1)</sup>	2	-
Administrative and operating costs <sup>(2)</sup>	2	3
Utility and property costs	17	17
Computing and communications costs	3	6
Vehicle and equipment operating costs	1	1
<b>Total Supplies and Services - SA Government entities</b>	<b>25</b>	<b>27</b>
<b>Supplies and Services provided by entities external to the SA Government</b>		
Professional and technical services <sup>(1)</sup>	74	53
Administrative and operating costs	10	2
Utilities and property costs	1	1
Travel <sup>(3)</sup>	25	30
Staff development and safety <sup>(3)</sup>	2	5
Other	-	12
<b>Total Supplies and Services - Non SA Government entities</b>	<b>112</b>	<b>103</b>
<b>Total Supplies and Services</b>	<b>137</b>	<b>130</b>

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

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

(3) Includes payments to SA Government entities totalling less than \$100,000.

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

	2007	2007	2006	2006
	Number	\$' 000	Number	\$' 000
Between \$10,000 and \$50,000	1	33	-	-
<b>Total paid / payable to the consultants engaged</b>	<b>1</b>	<b>33</b>	<b>-</b>	<b>-</b>

**8 Auditor's remuneration**

	2007	2006
	\$' 000	\$' 000
Audit fees paid/payable to the Auditor-General's Department.	5	5
<b>Total Audit Fees</b>	<b>5</b>	<b>5</b>

**Other Services**

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

<b>9 Revenues from fees and charges</b>		
	2007	2006
	\$' 000	\$' 000
<b>User charges and fees received/receivable from entities within SA Government</b>		
Other	20	20
<b>Total Fees and Charges - SA Government entities</b>	<b>20</b>	<b>20</b>
<b>User charges and fees received/receivable from entities external to SA Government</b>		
Other	-	6
<b>Total Fees and Charges - Non SA Government entities</b>	<b>-</b>	<b>6</b>
<b>Total Fees and Charges</b>	<b>20</b>	<b>26</b>

<b>10 Interest revenues</b>		
	2007	2006
	\$' 000	\$' 000
Interest from entities within the SA Government	265	51
<b>Total Interest</b>	<b>265</b>	<b>51</b>

<b>11 Other revenues/income</b>		
	2007	2006
	\$' 000	\$' 000
<b>Other Income received/receivable from entities within SA Government</b>		
Reimbursements/Recoveries	-	48
<b>Total Other Income - SA Government entities</b>	<b>-</b>	<b>48</b>
<b>Other Income received/receivable from entities external to SA Government</b>		
Other	6	-
<b>Total Other Income - Non SA Government entities <sup>(1)</sup></b>	<b>6</b>	<b>-</b>
<b>Total Other Income</b>	<b>6</b>	<b>48</b>

(1) Includes revenues from SA Government entities totalling less than \$100,000.

<b>12 Revenues from / payments to SA Government</b>		
	2007	2006
	\$' 000	\$' 000
<b>Revenues from SA Government</b>		
Appropriations from Consolidated Account pursuant to the Appropriation Act	432	377
<b>Total Revenues from SA Government</b>	<b>432</b>	<b>377</b>

<b>13 Cash</b>		
	2,007	2,006
	\$' 000	\$' 000
Deposits with the Treasurer	492	218
<b>Total Cash</b>	<b>492</b>	<b>218</b>

**Interest rate risk**

Cash on hand is non-interest bearing. Deposits at call and with the Treasurer are bearing a floating interest rate between 5.35% and 5.43%. The carrying amount of cash and cash equivalents approximates fair value.

<b>14 Receivables</b>		
	2007	2006
	\$' 000	\$' 000
<b>Current</b>		
Receivables	2	4
Accrued interest on loans and deposits	11	10
Prepayments	1	-
<b>Total Current Receivables</b>	<b>14</b>	<b>14</b>
<b>Total Receivables</b>	<b>14</b>	<b>14</b>
<b>Receivables from SA Government entities</b>		
Accrued interest revenues	11	10
<b>Total Receivables from SA Government entities</b>	<b>11</b>	<b>10</b>

<b>Receivables from Non SA Government entities</b>		
Receivables	1	-
Other accrued revenues	-	4
Other	2	-
<b>Total Receivables from Non SA Government entities</b>	<b>3</b>	<b>4</b>
<b>Total Receivables</b>	<b>14</b>	<b>14</b>

**Interest rate and credit risk**

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Trade receivables, prepayments and accrued revenues are non-interest bearing. Other than as recognised in the provision for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. In addition, there is no concentration of credit risk.

**Provision for Doubtful Debts**

There was no doubtful debts expense at 30 June 2007.

<b>15 Payables</b>	<b>2007</b>	<b>2006</b>
	<b>\$' 000</b>	<b>\$' 000</b>
<b>Current</b>		
Creditors	-	5
Accrued expenses	5	-
Employment on-costs	5	5
<b>Total Current Payables</b>	<b>10</b>	<b>10</b>
<b>Expected to be paid more than 12 months after reporting date</b>		
Employment on-costs	2	2
<b>Total Expected to be paid more than 12 months after reporting date</b>	<b>2</b>	<b>2</b>
<b>Total current payables</b>	<b>12</b>	<b>12</b>
<b>Government / Non Government Payables</b>		
<b>Payables to SA Government entities</b>		
Creditors	-	5
Employment on-costs	7	7
Other	-	-
<b>Total Payables to Other SA Government entities</b>	<b>7</b>	<b>12</b>
<b>Payables to Non SA Government entities</b>		
Accrued expenses	5	-
<b>Total Payables to Non-SA Government entities</b>	<b>5</b>	<b>-</b>
<b>Total Payables</b>	<b>12</b>	<b>12</b>

**Interest rate risk**

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

<b>16 Employee benefits</b>		
	<b>2007</b>	<b>2006</b>
	<b>\$' 000</b>	<b>\$' 000</b>
<b>Current</b>		
Annual leave	22	24
Long service leave	3	1
Accrued salaries and wages	4	5
<b>Total Current Employee Benefits</b>	<b>29</b>	<b>30</b>
<b>Non-Current</b>		
Long service leave	22	21
<b>Total Non-Current Employee Benefits</b>	<b>22</b>	<b>21</b>
<b>Total Employee Benefits</b>	<b>51</b>	<b>51</b>

The total current and non-current employee expense (i.e. aggregate employee benefit in Note 16 plus related on-costs in Note 15) for 2007 is \$58,000 (2006 \$58,000).

Based on an actuarial assessment performed by the Department of Treasury and Finance, the benchmark for the measurement of the long service leave liability has been revised from 7 to 6.5 years.

<b>17 Equity</b>		
	<b>2007</b>	<b>2006</b>
	<b>\$' 000</b>	<b>\$' 000</b>
Accumulated surplus	443	169
<b>Total equity</b>	<b>443</b>	<b>169</b>

<b>18 Commitments</b>		
	<b>2007</b>	<b>2006</b>
	<b>\$' 000</b>	<b>\$' 000</b>
<b>Operating Lease Commitments</b>		
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	28	17
Later than one year and not later than five years	120	67
Later than five years	48	42
<b>Total Operating Lease Commitments</b>	<b>196</b>	<b>126</b>
Representing:		
Non-cancellable operating leases	196	126
<b>Total operating lease commitments</b>	<b>196</b>	<b>126</b>

Operating leases relate to property, which are non-cancellable leases, with rental payable monthly in advance. Contingent rental provisions within the lease agreements allow for the review of lease payments every two years. Any changes in lease payments would be based on market rates. Options exist to renew the leases at the end of their terms.

<b>19 Contingent assets and contingent liabilities</b>		
The SA Local Government Grants Commission is not aware of any contingent assets or liabilities.		

<b>20 Cash flow reconciliation</b>		
	<b>2007</b>	<b>2006</b>
	<b>\$000</b>	<b>\$000</b>
<b>Reconciliation of Cash – Cash at year end as per:</b>		
Cash Flow Statement	492	218
Balance Sheet	492	218
<b>Reconciliation of Net Cash provided by Operating Activities to Net Cost of providing Services:</b>		
Net cash provided by operating activities	274	10
Less: Revenue from SA Government	(432)	(377)
<b>Add (Less) Non-cash items:</b>		
<b>Changes in Assets / Liabilities (net of restructure transfer)</b>		
Increase in receivables	-	10
(Increase) in employee benefits	-	13
(Increase) in other liabilities	-	76
<b>Net cost of providing Services from Ordinary Activities</b>	<b>(158)</b>	<b>(268)</b>

**21 Remuneration of board and committee members**

Members that were entitled to receive remuneration for membership during the 2006/07 financial year were:

Members of the South Australian Local Grants Commission were:

M. Germein  
M. Patetsos  
J. Ross

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

	2007	2006
\$0 - \$9 999		
\$10 000 - \$19 999	2	3
\$20 000 - \$29 999	1	-
<b>Total number of members</b>	<b>3</b>	<b>3</b>

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$52,000 (\$45,000).

Amounts paid to a superannuation plan for board/committee members was \$4,000 (\$5,000).

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

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

**22 Events after balance date**

No events have occurred after balance date that would affect the financial statements of the SA Local Government Grants Commission as at 30 June 2007.

**23 Disclosure of Administered Items**

	2007	2006
	\$' 000	\$' 000
<b>Administered Revenues</b>		
<b>Total Commonwealth Receipts</b>		
Commonwealth Financial Assistance Grants	116,773	112,976
Commonwealth Roads to Recovery Grants	2,500	6,250
Commonwealth Specific Purpose Grants	13,000	9,000
<b>Total Administered Revenues</b>	<b>132,273</b>	<b>128,226</b>
<b>Administered Expenses</b>		
<b>Total Commonwealth Payments</b>		
Local Government Financial Assistance Grants	116,773	112,976
Local Government Roads to Recovery Grants	4,170	2,500
Commonwealth Specific Purpose Grants	13,000	9,000
<b>Total Administered Expenses</b>	<b>133,943</b>	<b>124,476</b>
<b>Net Operating Surplus/(Deficit)</b>	<b>(1,670)</b>	<b>3,750</b>
<b>Administered Cash</b>	<b>2,080</b>	<b>3,750</b>

In 2005-06 \$3.75 million (Revenue in Advance) was received just before 30 June 2006 to be distributed in October/November through the supplementary Roads to Recovery Grant for 2006-07. During 2006-07 however only \$1.67 million was paid, it is anticipated that the remaining \$2.08 million will be paid out during 2007-08.

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**SA LOCAL GOVERNMENT GRANTS COMMISSION**

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**Certification of the Financial Report**

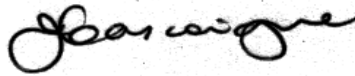
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We certify that:

- the attached general purpose financial report for the SA Local Government Grants Commission presents fairly, in accordance with the Treasurer's instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, applicable Australian accounting standards and other mandatory professional reporting requirements in Australia, the financial position of the SA Local Government Grants Commission as at 30 June 2007, the results of its operation and its cash flows for the year then ended;
- the attached financial statements are in accordance with the accounts and records of the Commission and give an accurate indication of the financial transactions of the Commission for the year then ended; and
- internal controls over the financial reporting have been effective throughout the reporting period.



Malcolm Germein  
**Chairman**  
**SA Local Government**  
**Grants Commission**  
19 December 2007



Jane Gascoigne  
**Executive Officer**  
**SA Local Government**  
**Grants Commission**  
19 December 2007

**INDEPENDENT AUDITOR'S REPORT**

Government of South Australia

Auditor-General's Department

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 audgensa@audit.sa.gov.au  
 www.audit.sa.gov.au

**TO THE CHAIRMAN, 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 2007. The financial report comprises:

- An Income Statement;
- A Balance Sheet;
- A Cash Flow Statement;
- A Statement of Changes in Equity;
- A Summary of significant accounting policies and other explanatory notes; and
- A Certificate by the Chairman, South Australian Local Government Grants Commission and the Executive Officer, South Australian Local Government Grants Commission.

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

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

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial 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 complies with relevant ethical requirements relating to audit engagements and plans and performs the audit to obtain reasonable assurance 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 controls relevant to the entity's preparation and fair presentation of the financial report 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 South Australian Local Government Grants Commission, as well as the overall presentation of the financial report.

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

**Auditor's Opinion**

In my opinion, the financial report presents fairly, in all material respects, the financial position of the South Australian Local Government Grants Commission as at 30 June 2007, and its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards (including the Australian Accounting Interpretations).



**S O'Neill**  
**AUDITOR-GENERAL**  
20 December 2007