



Local Government Grants Commission  
South Australia

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**Annual Report**  
**2005 - 06**

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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 2005-06.

Yours sincerely

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

Malcolm Germein AM  
CHAIRPERSON

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## **CHAIRPERSON'S INTRODUCTION**

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

2005-06 saw the Commission make recommendations on the distribution of Financial Assistance Grants for 2006-07 totalling \$116.7 million. Of this amount, \$88.2 million was for general-purpose financial assistance and \$28.5 million for identified local road funding, representing an increase in general financial assistance from the previous year's grants of 3.49 per cent and an increase in identified local road funding of 4.06 per cent. General-purpose grants are distributed between the states on an equal per capita basis.

The Commission endeavours to continually improve its methodology in allocating funds to local governing authorities. 2005-06 was no exception in this ongoing process. This year saw the Commission embark on a project to review the expenditure assessment used in the current methodology. Tony Ward of Milbur Consulting Pty Ltd is working with the Commission to review two related aspects of the expenditure assessment.

Part one of the project involves 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 involves 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 (LGA) and Department of Treasury and Finance was formed to assist with the process. Two workshops are planned for council consultation and participation in the process.

We hope that the outcome of the expenditure assessment review will assist the Commission more accurately account for service provision costs associated with local governments, and look forward to working with Tony Ward and members of the Reference Group in 2006-07 to complete the review.

The Commission continues to believe traffic volume has a significant impact on the deterioration of the local road network. Work continued in 2005-06 to develop an indicator for traffic volume, which will more accurately reflect the difference between Councils in the cost of reconstructing and maintaining roads that have deteriorated due to increased traffic volume. However, a lack of available consistent data from Councils has prevented progress in this area.

Collection of South Australia's Local Government Finance Statistics is another significant activity of the Commission, since taking control of this function from the Australian Bureau of Statistics (ABS) in July 2003. Special thanks to Max King and Lisa Moutzouris from the ABS Regional Statistics Unit, who have assisted the Commission in developing and refining data collection tools and processes.

Accurate road length data is an essential element in the grant calculations. The Commission's geographical information system (GIS) road length database was further refined and updated during the year with the assistance of the Commission's contract engineers and a GIS expert from Tonkin Consulting. The Commission provides hardcopy maps and the electronic data to Councils at no cost. Council feedback indicates that the maps and data are of great assistance to Councils in local and regional road planning, and many Councils are using this as the foundation for the development of their infrastructure and asset management plans.

The Commission continues to work closely with other organisations including the LGA, the Office of the Valuer General, other State Government departments and Councils in developing suitable data formats, co-ordinating the collection of information from councils and better understanding of Local Government issues.

2005-06 has seen the departure of longstanding Commissioner Keith Adams and the arrival of Commissioner John Ross. I would like to thank Keith for his outstanding contribution to the Grants Commission over the past ten years and wish him well in his future endeavours. I also welcome John Ross, whose wealth of local government knowledge and experience will be a valuable addition to the Commission.

In closing, I would like to acknowledge the efforts of ongoing Commissioner Mary Patetsos and Commission staff members, Executive Officer Jane Gascoigne and Project Officers Peter Ilee, 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 2005-2006 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)
- Keith Adams, Commissioner from 1 August 1995 until 31 July 2005, nominee of the Local Government Association.
- 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 2006 the Commission staff was: Jane Gascoigne (Executive Officer), Alex Sgro (Project Officer), Paul Nikou (Project Officer) who joined the staff in April 2006 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 2005-06. In accordance with Section 9 of the Act an information statement is provided at *Appendix II*.

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## CHAPTER 2 - COMMISSION ACTIVITIES 2005-06

### Grant Allocation

The total 2005-06 allocation of \$112,458,665 was increased following the end of the financial year by \$113,989 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 2005-06 allocations, is shown in *Appendix III*.

For 2006-07 the Commission made recommendations on the distribution of \$116,659,151 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 \$88,210,621 an increase of 3.5 per cent on 2005-06. The identified local road component was \$28,448,530 an increase of 4.1 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 council's 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*.

Earlier work commenced in 1999 into the factors influencing Council's Road reconstruction and maintenance costs 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 Council's 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 will work with the Commission to review two related aspects of the expenditure assessment.

Part one of the project involves 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 are planned for council consultation and participation.

### **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 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 217 requests for information for the financial year ended 30 June 2006.

Continued refinement of the database occurred during the year to enhance the efficiency of the Commissions 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 eg 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 2005-06 Commission members and staff attended 30 meetings at the councils listed on the following page.

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



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<p><b>Visited in July 2005</b> Campbelltown City</p> <p><b>Visited in August 2005</b> Coober Pedy Nepabunna City Council Roxby Downs</p> <p><b>Visited in September 2005</b> Alexandrina Council Anangu Pitjanjatjara Kangaroo Island Council Victor Harbour District Yalata City Council</p>	<p><b>Visited in November 2005</b> Franklin Harbour District Kimba District Lehunte District Whyalla City</p> <p><b>Visited in December 2005</b> Ceduna District Maralinga Tjarutja Streaky Bay District</p> <p><b>Visited in February 2006</b> Karoonda East Murray District Mid Murray Council Southern Mallee District Tatiara District</p>	<p><b>Visited in March 2006</b> Barunga West District Copper Coast District Wakefield Regional Council Yorke Peninsula District</p> <p><b>Visited in April 2006</b> Port Lincoln City Elliston District Lower Eyre Pen Dc Cleve District Tumby Bay District</p> <p><b>Visited in May 2006</b> Norwood, Payneham And St. Peters</p>
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### **Special Local Roads Program and the Local Government Transport Advisory Panel**

The Special Local Roads Program was established under the joint approvals of the South Australian Government, Commonwealth Government and Local Government. The 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 has 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 Cr Jeff Burgess (Chairperson, Northern Areas Council) as Chairperson, Mayor Brian Hurn, (Mayor, Barossa Council), Mr Mark Elford (Director, Road Transport Planning, Department of Transport Energy and Infrastructure), Wally Iasiello (Director, Technical Services, Port Adelaide Enfield Council), Ms Jane Gascoigne (Executive Officer, Local Government Grants Commission) and Ms Wendy Campana (Executive Director, Local Government Association). 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 2006-07 \$4.267 million was allocated to specific projects under the Financial Assistance Grants program, \$1.95 million under the Additional Local Road Funding Grant and \$3.75 million under the Special Projects component of the Roads to Recovery Grants. In total \$9.967 million was allocated for 2006-07.

An additional \$3.75 million was received during the year for the Supplementary Roads to Recovery program. This one off payment will be allocated under the same principles as existing Special Local Roads Programs following the announcement of AusLink Regional Roads program funding.

### **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 2005-06, 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 are 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 2005-06.

### **The Year Ahead**

The Commission endeavours to continually improve its methodology in allocating funds to local governing authorities. Work will continue in 2006-07 to review the expenditure assessment of the current methodology. Consultant Tony Ward of Milbur Consulting Pty Ltd will work with the Commission, its staff and a Reference Group of industry representatives to recommend;

- (a) whether the Commission should include depreciation expenditure in its assessment in place of capital expenditure, and;
- (b) whether the Commission should expand the range of expenditure functions currently included in its assessment.

Councils will be included in the review process through a series of workshops planned for 2006-07.

The expenditure assessment review is intended to help the Commission more accurately account for service provision costs associated with local governments. It is anticipated that any proposed changes to the methodology will be implemented prior to the recommendation of 2007-08 Financial Assistance Grants, and gradually phased-in to minimise the impact on council budgets.

Collection and dissemination of South Australia's Local Government Finance Statistics will again be a major role in 2006-07. 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 2006-07 to research existing funding levels, purposes of the funding and associated accountability requirements.

The Commission will sustain its active council visiting program in 2006-07. 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 2006 the Management Committee made recommendations to the Treasurer for payments of \$2.67 million to councils primarily in respect of flood damage to roads. This was \$1.47 million in excess of the original \$1.2 million budget provision for the year. The Treasurer approved the additional funds to cater for significant flooding late in the year at Northern Areas and Orroroo-Carrieton Councils.

## 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 2006-2007 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 2006-2007 has increased in line with estimated inflation and the underlying growth in Commonwealth General Purpose Payments to the States.

Entitlements for all States for 2005-2006 and for 2006-2007 are set out in Tables 1 and 2.

**TABLE 1 - Commonwealth General Purpose Financial Assistance for Local Government, State and Territory Entitlements 2005-06 and 2006-07**

State	2005-06		2006-07		% change 05/06 to 06/07. (%)
	Proportion (%)	Allocation (Actual) (\$mill)	Proportion (%)	Allocation (Estimate) (\$mill)	
New South Wales	33.40	374.44	33.27	388.09	3.65
Victoria	24.71	276.99	24.71	288.22	4.06
Queensland	19.43	217.82	19.57	228.25	4.79
Western Australia	9.87	110.62	9.92	115.73	4.62
<b>South Australia</b>	<b>7.60</b>	<b>85.23</b>	<b>7.56</b>	<b>88.21</b>	<b>3.49</b>
Tasmania	2.39	26.84	2.38	27.79	3.54
Northern Territory	0.99	11.14	1.00	11.66	4.67
Australian Capital Territory	1.60	17.99	1.60	18.64	3.60
<b>TOTAL</b>	<b>100.00</b>	<b>1,121.08</b>	<b>100.00</b>	<b>1,166.60</b>	<b>4.06</b>

**TABLE 2 - Commonwealth Identified Local Road Grants for Local Government,  
State and Territory Entitlements 2005-06 and 2006-07**

State	2005-06		2006-07		% change 05/06 to 06/07. (%)
	Proportion (%)	Allocation (Actual) (\$mill)	Proportion (%)	Allocation (Estimate) (\$mill)	
New South Wales	29.01	144.33	29.01	150.19	4.06
Victoria	20.62	102.56	20.62	106.72	4.06
Queensland	18.74	93.21	18.74	96.99	4.06
Western Australia	15.29	76.06	15.29	79.15	4.06
<b>South Australia</b>	<b>5.50</b>	<b>27.34</b>	<b>5.50</b>	<b>28.45</b>	<b>4.06</b>
Tasmania	5.30	26.36	5.30	27.43	4.06
Northern Territory	2.34	11.65	2.34	12.13	4.06
Australian Capital Territory	3.21	15.95	3.21	16.60	4.06
<b>TOTAL</b>	<b>100.00</b>	<b>497.46</b>	<b>100.00</b>	<b>517.65</b>	<b>4.06</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 2006-2007 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 five main principles for general-purpose grants and an additional one for road grants. They are:

**(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) 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 and stormwater 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, (\$17.16 for 2006-07), 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 public bus and 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>
Subsidised Services - Public Buses	Set at 1.00.	Derived from the level of State subsidy received by each Council <sup>1</sup>
Subsidised Services - Animal and Plant Control	Set at 1.00	Derived from the level of Council contributions to Animal and Plant Control Boards <sup>2</sup>
Waste Management	Reported expenditures <sup>3</sup>	Number of residential properties
Aged Care Services	Reported expenditures <sup>3</sup>	Population aged 65+ per ABS Census and estimated resident population
Services to Families and Children	Reported expenditures <sup>3</sup>	Population aged 0-4 yrs per ABS Census and estimated resident population
Health Inspection	Reported expenditures <sup>3</sup>	Establishments to inspect
Subsidised Services – Libraries	Set at 1.00.	Derived from the level of State grant received by each Council <sup>4</sup>
Sport, Recreation and Culture – Active	Reported expenditures <sup>3</sup>	Population aged 5-24 years per ABS Census and estimated resident population
Sealed Roads – Built-Up <sup>8</sup>	Reported expenditures <sup>3</sup>	Kilometres of built-up sealed road as reported in GIR
Sealed Roads - Non-built-up <sup>8</sup>	Reported expenditures <sup>3</sup>	Kilometres of non-built-up sealed road as reported in GIR
Unsealed Roads – Built-up <sup>8</sup>	Reported expenditures <sup>3</sup>	Kilometres of built-up unsealed road as reported in GIR
Unsealed Roads - Non-built-up <sup>8</sup>	Reported expenditures <sup>3</sup>	Kilometres of non-built-up unsealed road as reported in GIR
Unformed Roads <sup>8</sup>	Reported expenditures <sup>3</sup>	Kilometres of unformed road as reported in GIR
Stormwater Construction <sup>5, 6</sup>	Reported expenditures <sup>3</sup>	Number of urban properties <sup>7</sup>
Stormwater Maintenance <sup>5, 6</sup>	Reported expenditures <sup>3</sup>	Number of urban properties <sup>7</sup>
Emergency Services	Reported expenditures <sup>3</sup>	Total number of properties
Planning and Building Control	Reported expenditures <sup>3</sup>	Number of new developments and additions
Other Needs Assessments	Set at 1.00.	Based on Commission determined relative expenditure needs in a number of areas <sup>9</sup>

1 The Unit of Measure or standardised expense is derived as the product of the Council subsidy for each council and the average ratio of Council expenditures (net of revenue) to State subsidies, for all councils having subsidised bus services.

2 The Unit of Measure or standardised expense is taken as each Council's contribution to the operation of Animal and Plant Control Boards.

3 Councils expenditures reported in the Commissions' Supplementary returns.

4 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.

5 Includes both construction and maintenance activities.



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- 6 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.
  - 7 Urban properties = sum [residential properties, commercial properties, industrial properties, exempt residential properties, exempt commercial properties, exempt industrial properties].
  - 8 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*.
  - 9 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; and
    - Capital City status – gives recognition to such things as the ability of the council to raise revenue from sources other than rates ie car parking and from the Wingfield dump, and their extraordinary expenditure need ie due to the requirement that they maintain the entire road network within the City, and due to the daily influx of non-resident population.

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 = 1542033

Function	Standard in Dollars	Unit of Measure per Capita	Total Units of Measure	Unit of Measure
<b>Expenditure Functions</b>				
Subsidised Services - Public Buses	1.00	0.86231	1,316,629	Standardised Expense
Subsidised Services - Animal & Plant Control	1.00	1.86421	2,846,389	Expenditure from Animal & Plant Control Board
Garbage	112.06	0.40655	620,745	No of residential properties
Aged Care Services	45.53	0.15088	230,370	Population aged more than 65
Services To Families And Children	105.47	0.05782	88,290	Population aged 0 to 4
Health Inspection	271.70	0.01468	22,410	Establishments to inspect
Subsidised Services - Libraries	1.00	29.40729	44,900,769	Standardised Expense
Sport, Recreation And Culture	249.55	0.26244	400,702	Population aged 5 to 24
Sealed Roads - Built Up	11,640.41	0.00651	9,937	Kilometres of sealed builtup
Sealed Roads - Non Built Up	4,921.74	0.00438	6,691	Kilometres of sealed non-builtup
Unsealed Roads - Built Up	978.23	0.00054	820	Kilometres of formed and surfaced, and natural surface formed builtup road
Unsealed Roads - Non Built Up	788.07	0.03096	47,273	Kilometres of formed and surfaced, and natural surface formed non-builtup road
Roads - Unformed	124.26	0.00636	9,718	Kilometres of natural surfaced unformed road
Stormwater Drainage - Construction	28.93	0.43965	671,285	No of urban, industrial and commercial properties including exempt
Stormwater Drainage - Maintenance	14.73	0.43965	671,285	No of urban, industrial and commercial properties including exempt
Emergency Services	3.18	0.55735	850,997	Total no of properties
Planning And Building Control	602.05	0.03596	54,903	No of new developments and additions
<b>Revenue Functions</b>				
Rates - residential	0.0031	96,595	145,192,139,984	Valuation of residential
- commercial	0.0062	11,089	16,934,823,533	Valuation of commercial
- industrial	0.0087	1,836	2,803,987,573	Valuation of industrial
- rural	0.0031	15,638	24,839,395,344	Valuation of rural
- other	0.0027	5,747	8,777,697,860	Valuation of other
Subsidies	1.00	22.71430	34,681,513	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 councils 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, (\$17.16 for 2006-07), 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 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.

### **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 2006-07 per capita grant was \$202.62.

### **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 2006-07 the per capita grant varied from \$321.42 for Nepabunna to \$512.02 for Maralinga Tjarutja.

During 2005-06, the Commission received a submission for increased funding from Yalata Community Council Inc. The submission outlined a short term funding deficit in the upcoming crucial stages of rebuilding the Community's administration and service delivery capacity. Following analysis of Yalata's financial position and consultation with the Office of Indigenous Policy Co-ordination, the Commission recommended Yalata's financial assistance grant be increased by approximately \$35,000 in 2006-07 and be subject to ongoing review.

## CHAPTER 6 – LOCAL GOVERNMENT FINANCIAL ASSISTANCE GRANT ALLOCATIONS FOR 2006-07

Local Government Authority	General Purpose Grant (\$)	Identified Road Grant (\$)	Special Local Road Grant (\$)	Total Estimated Grant (\$)
Adelaide City	252,681	155,820	200,000	608,501
Adelaide Hills Council	669,721	532,550		1,202,271
Alexandrina Council	350,201	380,478	165,000	895,679
Barossa Council	356,190	324,888		681,078
Barunga West District	213,616	153,286		366,902
Berri Barmera Council	1,487,133	166,764		1,653,897
Burnside City	736,850	354,529		1,091,379
Campbelltown City	811,085	386,827		1,197,912
Ceduna District	1,416,442	324,070		1,740,512
Charles Sturt City	1,775,254	856,184		2,631,438
Clare And Gilbert Valleys Dc	260,220	278,655		538,875
Cleve District	633,304	260,674		893,978
Coober Pedy	737,708	37,692		775,400
Coorong District	1,551,108	484,773		2,035,881
Copper Coast District	1,117,583	214,224		1,331,807
Elliston District	507,144	298,039		805,183
Flinders Ranges Council	740,166	218,405		958,571
Franklin Harbour District	610,622	186,831		797,453
Gawler Town	868,135	208,586		1,076,721
Goyder Regional Council	1,563,459	492,426		2,055,885
Grant District	754,490	249,475		1,003,965
Holdfast Bay City	588,142	273,287		861,429
Kangaroo Island Council	1,283,223	290,266		1,573,489
Karoonda East Murray District	753,109	248,103		1,001,212
Kimba District	592,530	220,906	450,000	1,263,436
Kingston District	398,897	182,388	190,000	771,285
Lehunte District	1,005,863	292,973		1,298,836
Light Regional	206,195	280,248	394,000	880,443
Lower Eyre Pen Dc	250,138	292,144	187,000	729,282
Loxton Waikerie District	2,055,850	545,402	545,000	3,146,252
Mallala District	705,808	179,700		885,508
Marion City	1,388,398	686,763	170,000	2,245,161
Mid Murray Council	1,977,956	474,990		2,452,946
Mitcham City	1,070,063	549,454		1,619,517
Mount Barker District	565,760	355,909		921,669
Mount Gambier City	1,288,599	274,205	110,000	1,672,804

<b>Local Government Authority</b>	<b>General Purpose Grant</b>	<b>Identified Road Grant</b>	<b>Special Local Road Grant</b>	<b>Total Estimated Grant</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Mount Remarkable District	1,017,643	266,292		1,283,935
Murray Bridge District	2,384,442	324,825		2,709,267
Naracoorte Lucindale Dc	1,280,073	354,478		1,634,551
Northern Areas Council	756,347	295,754		1,052,101
Norwood, Payneham And St. Peters	584,006	261,889		845,895
Onkaparinga City	6,336,932	1,670,091	125,000	8,132,023
Orroroo/Carrieton District	519,182	186,395		705,577
Peterborough Dc	896,623	179,917		1,076,540
Playford City	7,783,713	831,372		8,615,085
Port Adelaide Enfield	1,787,729	921,889		2,709,618
Port Augusta City	2,918,185	210,136		3,128,321
Port Lincoln City	708,476	170,625		879,101
Port Pirie City And Districts	3,587,650	320,472		3,908,122
Prospect City	329,318	146,486		475,804
Renmark Paringa District	1,645,364	168,194		1,813,558
Robe District	24,127	79,284	62,500	165,911
Roxby Downs Municipality	61,278	44,586		105,864
Salisbury City	8,134,724	1,041,017	136,100	9,311,841
Southern Mallee District	699,476	293,638		993,114
Streaky Bay District	860,067	333,533		1,193,600
Tatiara District	1,241,884	413,422	121,000	1,776,306
Tea Tree Gully City	1,714,953	847,873		2,562,826
Tumby Bay District	361,767	192,022		553,789
Unley City	623,440	277,063		900,503
Victor Harbor District	212,012	174,857		386,869
Wakefield Regional Council	943,548	367,423		1,310,971
Walkerville Town	121,441	56,153		177,594
Wattle Range Council	975,577	406,967	400,000	1,782,544
West Torrens Cty	902,994	436,792	1,011,400	2,351,186
Whyalla City	4,230,458	283,125		4,513,583
Yankalilla District	70,425	107,059		177,484
Yorke Peninsula District	862,915	601,573		1,464,488
Outback Areas Cdt	983,901			983,901
Anangu Pitjantjatjara	860,217	106,927		967,144
Gerard Cty Council	33,572	14,246		47,818
Maralinga Tjarutja	70,147	38,256		108,403
Nepabunna Cty Council	21,535	14,184		35,719
Yalata Cty Council	120,837	30,801		151,638
<b>STATE TOTAL</b>	<b>88,210,621</b>	<b>24,181,530</b>	<b>4,267,000</b>	<b>116,659,151</b>

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## **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.

### **Keith Adams OAM, JP**

Local Government Consultant January 1994 –2001 and previously City Manager of the City of Unley from December 1984; District Clerk of the District Council of Victor Harbor from March 1970, the District Council of Balaklava from January 1968 and the District Council of Georgetown from March 1962. Board Member, Ashford Community Hospital Inc, 1989 to 1998; Hon Treasurer, Ashford Community Hospital Inc 1989 to 1998. Director, Keith Adams Pty Ltd (1994 – 2001) and Commissioner of the SA Local Government Grants Commission 1995 to July 2005.

### **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, 2006.

### **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, eg 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 2005-2006

Local Government Authority	2005/2006 Actual General Purpose Grant \$	2005/2006 Actual Road Grant \$	2005/2006 Special Road Grant \$	2005/2006 Total Actual Grant \$
Adelaide City	239,350	149,043		388,393
Adelaide Hills Council	649,783	514,770		1,164,553
Alexandrina Council	330,799	360,830	200,000	891,629
Barossa Council	339,766	309,751		649,517
Barunga West District	213,616	147,457		361,073
Berri Barmera Council	1,405,783	161,259		1,567,042
Burnside City	715,415	342,615		1,058,030
Campbelltown City	786,116	373,251	200,000	1,359,367
Ceduna District	1,360,293	312,049		1,672,342
Charles Sturt City	1,725,880	821,280		2,547,160
Clare And Gilbert Valleys Dc	260,220	268,151		528,371
Cleve District	633,304	250,645		883,949
Cooper Pedy	696,945	37,662		734,607
Coorong District	1,551,108	467,442		2,018,550
Copper Coast District	1,124,493	204,295		1,328,788
Elliston District	493,355	286,586		779,941
Flinders Ranges Council	710,371	210,163		920,534
Franklin Harbour District	585,030	179,364		764,394
Gawler Town	823,871	200,204		1,024,075
Goyder Regional Council	1,513,946	473,000		1,986,946
Grant District	794,200	239,149		1,033,349
Holdfast Bay City	567,882	263,270		831,152
Kangaroo Island Council	1,238,568	277,997		1,516,565
Karoonda East Murray District	753,109	238,577		991,686
Kimba District	564,979	212,334	450,000	1,227,313
Kingston District	398,897	175,245		574,142
Lehunte District	1,005,863	292,973		1,298,836
Light Regional Council	195,183	259,750		454,933
Lower Eyre Pen Dc	250,138	280,318	721,000	1,251,456
Loxton Waikerie District	1,953,506	525,025	556,000	3,034,531
Mallala District	705,808	171,079		876,887
Marion City	1,341,865	660,408	380,000	2,382,273
Mid Murray Council	1,977,956	456,848		2,434,804
Mitcham City	1,040,998	529,680		1,570,678
Mount Barker District	514,327	337,869		852,196
Mount Gambier City	1,171,454	262,966		1,434,420



<b>Local Government Authority</b>	<b>2005/2006 Actual General Purpose Grant \$</b>	<b>2005/2006 Actual Road Grant \$</b>	<b>2005/2006 Special Road Grant \$</b>	<b>2005/2006 Total Actual Grant \$</b>
Mount Remarkable District	973,600	255,720	526,000	1,755,320
Murray Bridge District	2,386,300	310,259		2,696,559
Naracoorte Lucindale Dc	1,280,073	340,508		1,620,581
Northern Areas Council	756,347	284,136		1,040,483
Norwood, Payneham And St. Peters	567,566	253,201		820,767
Onkaparinga City	5,977,214	1,600,612	50,000	7,627,826
Orroroo/Carrieton District	492,590	179,317		671,907
Peterborough Dc	858,158	173,577		1,031,735
Playford City	7,384,194	797,094		8,181,288
Port Adelaide Enfield	1,730,498	888,975		2,619,473
Port Augusta City	2,812,184	203,312		3,015,496
Port Lincoln City	668,711	163,586		832,297
Port Pirie City And Districts	3,428,251	308,438		3,736,689
Prospect City	321,083	141,962		463,045
Renmark Paringa District	1,597,755	162,140		1,759,895
Robe District	22,950	75,923		98,873
Roxby Downs Municipality	60,350	43,721		104,071
Salisbury City	7,810,276	996,161	52,000	8,858,437
Southern Mallee District	699,476	282,381		981,857
Streaky Bay District	824,395	320,447		1,144,842
Tatiara District	1,241,884	398,750	225,000	1,865,634
Tea Tree Gully City	1,667,997	820,144		2,488,141
Tumby Bay District	361,767	184,161		545,928
Unley City	607,365	268,262		875,627
Victor Harbor District	201,366	166,250	30,000	397,616
Wakefield Regional Council	943,548	352,581		1,296,129
Walkerville Town	118,216	54,342		172,558
Wattle Range Council	975,577	390,777	126,000	1,492,354
West Torrens Cty	877,999	420,883	580,000	1,878,882
Whyalla City	4,037,048	276,541		4,313,589
Yankalilla District	66,734	101,948		168,682
Yorke Peninsula District	862,915	576,692		1,439,607
Outback Areas Cdt	950,721			950,721
Anangu Pitjantjatjara	831,208	102,775		933,983
Gerard Cty Council	32,439	13,693		46,132
Maralinga Tjarutja	67,782	36,771		104,553
Nepabunna Cty Council	20,809	13,633		34,442
Yalata Cty Council	82,550	29,605		112,155
<b>STATE TOTAL</b>	<b>85,234,071</b>	<b>23,242,583</b>	<b>4,096,000</b>	<b>112,572,654</b>

**APPENDIX IV - Road lengths by council by surface type at 30 June 2005  
(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	485	811	22	1,318
Barossa Council	324	588	48	960
Barunga West District	58	900	95	1,053
Berri Barmera Council	255	120	38	413
Burnside City	233	5	0	239
Campbelltown City	253	0	0	253
Ceduna District	66	1,420	224	1,709
Charles Sturt City	560	7	0	567
Clare And Gilbert Valleys Dc	197	1,437	187	1,822
Cleve District	57	1,222	116	1,396
Cooper Pedy	27	131	263	421
Coorong District	321	1,562	1	1,884
Copper Coast District	251	561	129	940
Elliston District	39	972	136	1,147
Flinders Ranges Council	17	908	336	1,261
Franklin Harbour District	51	847	37	935
Gawler Town	149	27	2	178
Goyder Regional Council	136	2,885	226	3,247
Grant District	441	836	320	1,597
Holdfast Bay City	175	0	0	175
Kangaroo Island Council	236	1,074	51	1,361
Karoonda East Murray District	81	1,168	48	1,298
Kimba District	49	1,031	634	1,714
Kingston District	111	567	57	734
Lehunte District	80	750	1,055	1,886
Light Regional	145	1,242	60	1,446
Lower Eyre Pen Dc	102	1,139	125	1,366
Loxton Waikerie District	348	1,767	200	2,315
Mallala District	112	706	136	954
Marion City	467	0	0	467
Mid Murray Council	302	2,095	982	3,379
Mitcham City	389	1	3	392
Mount Barker District	318	366	33	717
Mount Gambier City	190	1	0	190

<b>Council name</b>	<b>Sealed</b>	<b>Formed</b>	<b>Unformed</b>	<b>TOTAL</b>
Mount Remarkable District	78	1,553	432	2,063
Murray Bridge Rural City	367	566	35	968
Naracoorte Lucindale Dc	488	1,082	41	1,611
Northern Areas Council	108	1,814	274	2,197
Norwood, Payneham And St. Peters	170	0	0	170
Onkaparinga City	1,192	225	2	1,418
Orroroo/Carrieton District	29	903	696	1,628
Peterborough Dc	40	805	385	1,230
Playford City	621	118	8	747
Port Adelaide Enfield City	652	5	0	657
Port Augusta City	172	144	93	409
Port Lincoln City	146	7	4	157
Port Pirie City And Districts	303	656	212	1,171
Prospect City	91	0	0	91
Renmark Paringa District	299	139	52	490
Robe District	38	341	56	435
Roxby Downs Municipality	30	3	0	33
Salisbury City	711	7	0	718
Southern Mallee District	84	1,102	144	1,330
Streaky Bay District	52	1,451	219	1,721
Tatiara District	492	1,214	225	1,930
Tea Tree Gully City	568	10	6	584
Tumby Bay District	49	962	96	1,107
Unley City	170	0	0	170
Victor Harbor City	233	135	2	370
Wakefield Regional Council	182	2,185	313	2,680
Walkerville Town	36	0	0	36
Wattle Range Council	491	1,409	560	2,460
West Torrens City	292	0	0	292
Whyalla City	208	126	3	336
Yankalilla District	121	370	48	539
Yorke Peninsula District	434	3,213	236	3,882
<b>TOTAL</b>	<b>16,704</b>	<b>48,170</b>	<b>9,718</b>	<b>74,591</b>

## APPENDIX V – Cost relativity indices for roads by type

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

## APPENDIX VI – Revenue relativity index

	SEIFA Index of Economic-Resources	Converted to be centred around 1
Adelaide City	1,093.00	1.128829
Adelaide Hills Council	1,035.28	1.069217
Alexandrina Council	920.65	0.950829
Barossa Council	981.24	1.013405
Barunga West District	885.03	0.914042
Berri Barmera Council	940.90	0.971743
Burnside City	1,108.25	1.144579
Campbelltown City	971.29	1.003129
Ceduna District	937.08	0.967798
Charles Sturt City	959.33	0.990777
Clare And Gilbert Valleys Dc	948.87	0.979974
Cleve District	915.44	0.945449
Cooper Pedy	865.65	0.894026
Coorong District	894.35	0.923667
Copper Coast District	874.45	0.903115
Elliston District	884.04	0.913019
Flinders Ranges Council	905.27	0.934945
Franklin Harbour District	879.15	0.907969
Gawler Town	956.08	0.987421
Goyder Regional Council	885.23	0.914248
Grant District	967.84	0.999566
Holdfast Bay City	1,039.02	1.073080
Kangaroo Island Council	908.44	0.938219
Karoonda East Murray District	888.11	0.917223
Kimba District	917.51	0.947586
Kingston District	925.37	0.955704
Lehunte District	895.26	0.924607
Light Regional Council	958.48	0.989899
Lower Eyre Pen Dc	931.66	0.962200
Loxton Waikerie District	927.00	0.957387
Mallala District	940.30	0.971123
Marion City	968.99	1.000754
Mid Murray Council	875.85	0.904561
Mitcham City	1,040.44	1.074546
Mount Barker District	971.16	1.002995
Mount Gambier City	949.96	0.981100
Mount Remarkable District	889.51	0.918669
Murray Bridge District	897.63	0.927055
Naracoorte Lucindale Dc	959.11	0.990550
Northern Areas Council	885.71	0.914744
Norwood, Payneham And St. Peters	1,028.57	1.062287
Onkaparinga City	968.52	1.000269
Ororo/Carrieton District	877.11	0.905862
Peterborough Dc	831.13	0.858375
Playford City	909.10	0.938901
Port Adelaide Enfield	919.36	0.949497
Port Augusta City	930.72	0.961229
Port Lincoln City	945.18	0.976163
Port Pirie City And Districts	896.67	0.926063
Prospect City	1,032.38	1.066222
Renmark Paringa District	924.78	0.955095
Robe District	956.55	0.987906
Roxby Downs Municipality	1,171.34	1.209737
Salisbury City	939.60	0.970401
Southern Mallee District	926.52	0.956892
Streaky Bay District	886.19	0.915240
Tatiara District	940.38	0.971206
Tea Tree Gully City	1,006.10	1.039080
Tumby Bay District	885.29	0.914310
Unley City	1,073.29	1.108473
Victor Harbor District	903.24	0.932849
Wakefield Regional Council	897.99	0.927427
Walkerville Town	1,103.83	1.140014
Wattle Range Council	945.31	0.976298
West Torrens City	963.67	0.995260
Whyalla City	925.10	0.955425
Yankalilla District	902.44	0.932022
Yorke Peninsula District	871.35	0.899913
<b>State Average</b>	<b>968.26</b>	

**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 2004, 2005 and 2006 averaged)

Unit of Measure :	Residential	Commercial	Industrial	Rural	Other
Adelaide City	213,608	262,308	1,630	1	62,907
Adelaide Hills Council	108,598	3,303	490	33,979	4,504
Alexandrina Council	117,795	4,690	742	59,679	18,658
Barossa Council	77,762	7,663	10,127	49,366	5,779
Barunga West District	66,491	3,881	868	151,200	5,805
Berri Barmera Council	46,159	6,702	1,778	25,021	5,097
Burnside City	218,222	12,539	157	102	6,937
Campbelltown City	110,400	3,445	514	82	3,313
Ceduna District	38,041	8,416	403	16,193	6,411
Charles Sturt City	118,317	11,191	2,355	31	3,199
Clare And Gilbert Valleys Dc	51,201	7,336	831	124,372	4,696
Cleve District	33,074	9,187	28	96,809	4,813
Cooper Pedy	21,603	8,326	226	-	2,446
Coorong District	35,413	3,913	55	101,923	5,060
Copper Coast District	88,808	7,013	553	18,841	16,441
Elliston District	44,511	5,967	81	113,741	7,058
Flinders Ranges Council	28,049	3,297	205	29,797	2,953
Franklin Harbour District	41,736	5,497	162	49,427	7,881
Gawler Town	78,418	8,452	298	5,307	2,931
Goyder Regional Council	26,099	2,584	317	126,234	1,478
Grant District	44,712	1,755	2,441	132,679	4,435
Holdfast Bay City	185,132	14,544	525	-	7,248
Kangaroo Island Council	78,279	9,424	618	59,119	19,312
Karoonda East Murray District	12,340	2,200	121	96,435	2,080
Kimba District	19,186	6,513	-	98,512	3,381
Kingston District	66,594	5,246	360	132,066	13,003
Lehunte District	13,969	5,310	47	74,868	2,133
Light Regional Council	61,087	4,551	4,934	80,614	6,210
Lower Eyre Pen De	76,806	5,715	230	115,526	14,043
Loxton Waikerie District	41,004	4,175	1,067	49,519	3,509
Mallala District	58,737	1,622	325	47,364	6,191
Marion City	101,645	12,048	1,800	71	4,185
Mid Murray Council	85,854	3,411	657	47,016	11,956
Mitcham City	134,353	5,890	797	472	5,719
Mount Barker District	77,778	7,534	787	26,332	6,534
Mount Gambier City	66,657	11,691	2,093	366	3,399
Mount Remarkable District	30,452	3,525	76	79,370	3,597
Murray Bridge District	52,051	7,664	2,918	16,211	4,441
Naracoorte Lucindale Dc	41,918	6,006	753	134,512	3,758
Northern Areas Council	24,593	5,090	367	149,861	2,180
Norwood, Payneham And St. Peters	158,719	26,693	2,094	9	8,777
Onkaparinga City	79,774	5,013	1,127	6,268	4,327
Orroroo/Carrieton District	19,552	2,495	209	93,306	2,921
Peterborough Dc	21,120	3,089	257	27,582	1,257
Playford City	50,558	4,636	1,431	8,405	2,480
Port Adelaide Enfield	89,031	13,160	6,657	40	6,632
Port Augusta City	39,968	6,503	160	583	1,812
Port Lincoln City	79,906	13,762	2,862	718	8,305
Port Pirie City And Districts	38,055	4,696	751	12,529	2,370
Prospect City	147,773	10,601	132	-	2,699
Renmark Paringa District	42,991	5,329	1,236	43,619	3,138
Robe District	194,327	17,123	2,056	162,288	40,995
Roxby Downs Municipality	76,271	5,396	69	-	5,934
Salisbury City	66,809	7,068	1,907	435	3,502
Southern Mallee District	17,131	3,789	197	117,227	1,880
Streaky Bay District	44,411	7,005	189	53,047	8,771
Tatiara District	29,268	5,941	1,077	161,453	3,576
Tea Tree Gully City	91,857	7,142	681	573	2,228
Tumby Bay District	53,747	8,016	57	103,364	9,238
Unley City	178,181	17,830	253	20	8,302
Victor Harbor District	127,170	11,088	499	15,218	23,103
Wakefield Regional Council	28,727	4,557	546	131,844	2,262
Walkerville Town	229,089	6,209	-	-	10,210
Wattle Range Council	46,586	4,160	6,320	122,005	4,651
West Torrens City	116,539	16,130	4,613	69	4,901
Whyalla City	38,062	5,488	471	262	1,363
Yankalilla District	141,807	6,332	387	70,258	34,644
Yorke Peninsula District	105,113	5,330	578	134,516	10,824
<b>State</b>	<b>96,595</b>	<b>11,089</b>	<b>1,836</b>	<b>15,638</b>	<b>5,747</b>

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

Data sourced from Councils and the Australian Bureau of Statistics as at 30 June 2005.

<i>Function</i> :	Waste Management	Aged Care Services	Services to Families & Children	Health Inspection	Sport, Recreation & Culture
<i>Unit of Measure</i> :	Number of Residential Properties	Population Aged > 65 years	Population Aged 0-4 years	Establishments (Refer previous page)	Population Aged 5-24 years
Adelaide City	7,941	1,823	358	1,441	3,861
Adelaide Hills Council	12,096	4,167	2,177	1,494	10,756
Alexandrina Council	9,716	3,588	1,004	213	4,644
Barossa Council	6,876	2,951	1,257	437	5,264
Barunga West District	1,339	598	125	69	541
Berri Barmera Council	3,801	1,637	783	205	2,982
Burnside City	18,042	8,338	1,784	592	10,817
Campbelltown City	19,590	8,518	2,435	458	11,718
Ceduna District	1,164	354	295	53	1,057
Charles Sturt City	45,468	19,339	5,238	1,152	24,091
Clare And Gilbert Valleys Dc	2,617	1,391	459	274	1,983
Cleve District	583	297	120	29	453
Cooper Pedy	1,370	266	123	45	471
Coorong District	1,830	870	391	130	1,461
Copper Coast District	6,139	2,521	600	154	2,547
Elliston District	497	125	83	31	274
Flinders Ranges Council	723	294	122	45	443
Franklin Harbour District	524	221	67	21	329
Gawler Town	7,777	3,080	1,028	400	5,298
Goyder Regional Council	1,352	726	229	53	1,038
Grant District	2,118	859	444	128	2,155
Holdfast Bay City	16,563	8,105	1,265	497	7,235
Kangaroo Island Council	2,530	576	289	152	1,088
Karoonda East Murray District	237	203	56	16	284
Kimba District	317	230	77	44	301
Kingston District	1,093	381	125	40	600
Lehunte District	367	202	88	27	380
Light Regional Council	3,347	1,329	746	174	3,315
Lower Eyre Pen Dc	1,478	568	288	14	1,141
Loxton Waikerie District	3,849	1,806	768	227	3,127
Mallala District	2,300	682	450	61	2,296
Marion City	34,212	14,483	4,162	751	19,990
Mid Murray Council	4,698	1,478	433	237	1,907
Mitcham City	24,636	10,684	3,218	1,013	16,126
Mount Barker District	8,344	2,586	1,847	731	7,448
Mount Gambier City	10,123	3,202	1,733	253	6,618
Mount Remarkable District	1,317	543	152	42	685
Murray Bridge District	6,717	2,808	1,126	422	4,743
Naracoorte Lucindale Dc	2,526	1,143	530	159	2,241
Northern Areas Council	1,470	857	287	63	1,157
Norwood, Payneham And St. Peters	15,982	6,323	1,593	584	8,041
Onkaparinga City	57,956	17,347	9,496	1,515	44,252
Orroroo/Carrieton District	337	208	42	24	217
Peterborough Dc	943	391	104	40	450
Playford City	25,538	8,546	5,422	692	21,899
Port Adelaide Enfield	45,692	17,417	6,179	1,382	25,424
Port Augusta City	6,125	1,685	925	213	3,888
Port Lincoln City	5,865	1,913	984	206	4,230
Port Pirie City And Districts	7,207	2,900	1,106	262	4,635
Prospect City	8,543	2,676	1,042	260	4,802
Renmark Paringa District	2,966	1,456	648	156	2,566
Robe District	1,050	245	102	28	303
Roxby Downs Municipality	1,270	35	385	41	1,156
Salisbury City	45,260	11,973	7,954	1,156	35,060
Southern Mallee District	611	348	132	38	576
Streaky Bay District	871	257	131	42	536
Tatiara District	1,779	904	515	133	2,002
Tea Tree Gully City	36,824	10,962	5,967	901	27,671
Tumby Bay District	943	560	133	33	589
Unley City	15,881	5,601	1,842	548	9,033
Victor Harbor District	6,094	3,786	453	250	2,179
Wakefield Regional Council	2,073	1,122	392	135	1,737
Walkerville Town	3,017	1,465	285	80	1,725
Wattle Range Council	4,278	1,728	824	127	3,259
West Torrens Cty	24,860	10,323	2,695	791	12,192
Whyalla City	10,206	2,903	1,468	190	6,051
Yankalilla District	2,555	750	165	71	917
Yorke Peninsula District	8,330	2,715	546	166	2,448
<b>Total</b>	<b>620,745</b>	<b>230,370</b>	<b>88,290</b>	<b>22,410</b>	<b>400,702</b>

<i>Function</i> :	<b>Sealed Built Up Roads</b>	<b>Sealed Non Built Up Roads</b>	<b>Unsealed Built Up Roads</b>	<b>Unsealed Non Built Up Roads</b>	<b>Unformed Roads</b>
<i>Unit of Measure</i> :	<b>Sealed Built Up Kms</b>	<b>Sealed Non Built Up Kms</b>	<b>Unsealed Built Up Kms</b>	<b>Unsealed Non Built Up Kms</b>	<b>Unformed Kms</b>
Adelaide City	130	-	-	-	-
Adelaide Hills Council	204	397	7	469	10
Alexandrina Council	215	267	27	784	22
Barossa Council	134	190	12	577	48
Barunga West District	28	29	8	892	95
Berri Barmera Council	66	188	2	118	38
Burnside City	228	-	-	5	0
Campbelltown City	252	-	-	0	-
Ceduna District	38	28	3	1,416	224
Charles Sturt City	558	-	7	-	0
Clare And Gilbert Valleys Dc	70	127	14	1,423	187
Cleve District	21	37	8	1,214	116
Coober Pedy	24	3	30	101	263
Coorong District	54	267	12	1,551	1
Copper Coast District	143	105	48	509	129
Elliston District	21	17	8	965	136
Flinders Ranges Council	17	-	14	895	336
Franklin Harbour District	18	33	-	847	37
Gawler Town	123	25	7	20	2
Goyder Regional Council	67	69	33	2,852	226
Grant District	29	412	2	834	320
Holdfast Bay City	172	-	-	-	-
Kangaroo Island Council	50	186	57	1,017	51
Karoonda East Murray District	7	74	6	1,162	48
Kimba District	12	37	10	1,022	634
Kingston District	39	72	6	561	57
Lehunte District	17	64	8	742	1,055
Light Regional Council	62	82	28	1,212	60
Lower Eyre Pen Dc	39	62	16	1,124	125
Loxton Waikerie District	66	281	16	1,751	200
Mallala District	68	44	52	654	136
Marion City	466	-	0	-	-
Mid Murray Council	72	228	29	2,065	982
Mitcham City	373	15	0	1	3
Mount Barker District	152	165	18	347	33
Mount Gambier City	182	8	-	1	0
Mount Remarkable District	20	58	23	1,530	432
Murray Bridge District	126	240	14	552	35
Naracoorte Lucindale Dc	80	408	3	1,079	41
Northern Areas Council	59	49	32	1,782	274
Norwood, Payneham And St. Peters	157	-	-	-	-
Onkaparinga City	937	248	9	216	2
Orroroo/Carrieton District	18	10	7	896	696
Peterborough Dc	31	8	7	799	385
Playford City	400	220	1	117	8
Port Adelaide Enfield	650	-	5	-	-
Port Augusta City	133	38	33	111	93
Port Lincoln City	141	5	5	3	4
Port Pirie City And Districts	176	127	11	645	212
Prospect City	87	-	-	-	-
Renmark Paringa District	48	251	6	134	52
Robe District	29	9	2	340	56
Roxby Downs Municipality	24	6	-	3	-
Salisbury City	687	22	3	4	-
Southern Mallee District	25	60	7	1,095	144
Streaky Bay District	26	26	18	1,432	219
Tatiara District	80	412	12	1,202	225
Tea Tree Gully City	548	17	3	8	6
Tumby Bay District	28	21	5	958	96
Unley City	164	-	-	-	-
Victor Harbor District	122	110	11	124	2
Wakefield Regional Council	65	118	7	2,177	313
Walkerville Town	35	-	-	-	-
Wattle Range Council	142	347	36	1,371	560
West Torrens City	289	-	-	-	-
Whyalla City	191	13	5	54	3
Yankalilla District	49	73	4	366	48
Yorke Peninsula District	151	284	68	3,145	236
<b>Total</b>	<b>9,937</b>	<b>6,691</b>	<b>820</b>	<b>47,273</b>	<b>9,718</b>



<i>Function</i> :	<b>Stormwater Drainage - Construction &amp; Maintenance</b>	<b>Emergency Services</b>	<b>Planning &amp; Building Control</b>
<i>Unit of Measure</i> :	<b>No. of Urban, Industrial &amp; Commercial Properties (excluding exempt)</b>	<b>Total Number of Properties</b>	<b>Number of New Developments &amp; Additions</b>
Adelaide City	17,368	20,860	1,023
Adelaide Hills Council	12,722	17,996	1,388
Alexandrina Council	10,219	16,885	1,983
Barossa Council	7,531	11,531	1,117
Barunga West District	1,410	2,733	153
Berri Barmera Council	4,229	6,521	359
Burnside City	19,087	21,330	617
Campbelltown City	20,220	21,943	1,234
Ceduna District	1,328	2,411	105
Charles Sturt City	48,630	52,867	3,299
Clare And Gilbert Valleys Dc	2,988	6,761	407
Cleve District	668	1,624	84
Cooper Pedy	1,501	1,967	39
Coorong District	2,003	4,647	227
Copper Coast District	6,542	9,820	639
Elliston District	552	1,433	126
Flinders Ranges Council	780	2,206	68
Franklin Harbour District	562	1,201	72
Gawler Town	8,243	9,418	854
Goyder Regional Council	1,517	4,843	151
Grant District	2,227	5,606	397
Holdfast Bay City	17,933	20,719	1,258
Kangaroo Island Council	2,716	5,478	402
Karoonda East Murray District	274	1,395	39
Kimba District	372	1,040	44
Kingston District	1,181	2,492	130
Lehunte District	441	1,318	41
Light Regional Council	3,704	7,059	845
Lower Eyre Pen Dc	1,581	3,450	297
Loxton Waikerie District	4,200	8,370	380
Mallala District	2,369	4,612	385
Marion City	35,884	39,932	2,644
Mid Murray Council	4,881	10,430	737
Mitcham City	25,869	28,825	1,835
Mount Barker District	9,058	13,226	1,419
Mount Gambier City	11,206	12,584	694
Mount Remarkable District	1,409	3,362	100
Murray Bridge District	7,253	10,397	596
Naracoorte Lucindale Dc	2,857	6,359	316
Northern Areas Council	1,642	4,346	193
Norwood, Payneham And St. Peters	18,168	20,101	1,143
Onkaparinga City	60,736	70,586	4,978
Orroroo/Carrieton District	384	1,609	33
Peterborough Dc	1,032	1,940	69
Playford City	26,522	31,762	2,334
Port Adelaide Enfield	49,868	56,928	4,032
Port Augusta City	6,560	7,504	413
Port Lincoln City	6,599	8,087	423
Port Pirie City And Districts	7,734	10,572	459
Prospect City	9,126	9,898	711
Renmark Paringa District	3,237	5,397	212
Robe District	1,139	2,236	132
Roxby Downs Municipality	1,353	1,533	132
Salisbury City	47,224	52,514	3,700
Southern Mallee District	701	1,990	91
Streaky Bay District	949	2,236	112
Tatiara District	2,059	4,846	169
Tea Tree Gully City	38,281	41,224	2,496
Tumby Bay District	1,018	2,205	144
Unley City	17,370	18,991	1,065
Victor Harbor District	6,535	9,615	829
Wakefield Regional Council	2,277	5,470	257
Walkerville Town	3,134	3,517	305
Wattle Range Council	4,673	9,524	439
West Torrens Cty	27,206	30,292	1,460
Whyalla City	10,845	11,541	699
Yankalilla District	2,675	4,986	406
Yorke Peninsula District	8,724	13,894	968
<b>Total</b>	<b>671,285</b>	<b>850,997</b>	<b>54,903</b>

## APPENDIX IX - Background of financial assistance grants to local government

- i) Annual reports of the interim State Grants Commission and the South Australian Local Government Grants Commission presented since 1976 have contained detailed information on the history of the provision of Commonwealth 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.
- *May 1977* - Special report by Commonwealth Grants Commission concerned with the interstate distribution of funds which established an apportionment of funds between the States and increased the share of funds to South Australia to 8.6010 per cent from 1 July 1977.

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

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

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

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

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

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

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

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

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

- *April 1998* – The South Australian Local Government Grants Commission's comprehensive methodology review of the general purpose grant calculation was completed. The revised methodology was used, albeit constrained to minus 10% and plus 20% change, for the first time for the 1998-99 allocations.
- *April 1999* – refinement of the South Australian methodology, as it relates to the differences between councils in the cost associated with the reconstruction and maintenance of roads, was completed. The newly calculated cost relativity indices (previously known as disability factors) were used in the calculation of the South Australian grant allocations for 1999-2000.
- *May 2000* – refinement of the South Australian methodology, in relation to road lengths. The Commission with the assistance of a consultant mapped all councils' roads into a Geographical Information System format. The newly calculated road lengths were used in the calculation of the South Australian grant allocations for 2001-2002.
- *June 2000* – the Commonwealth Minister announced the review into the Local Government (Financial Assistance) Act 1995. The Commonwealth Grants Commission has been commissioned to undertake the review. The final report will be completed by 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 to be conducted by the House of Representatives Standing Committee on Economics, Finance and Public Administration is requested to inquire into, and report upon, cost shifting onto Local Government by State governments and the financial position of Local Government.

This will include an examination of: Local Government’s current roles and responsibilities and current funding arrangements. It will also include 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 is 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.

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## APPENDIX X - 2005 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 2005 General Information, Supplementary Returns and their Audited Financial Statements by the due date of 30 November 2005 and thereby facilitated the timely determination of grants.

The local governments responsible are:-

- |                                  |                            |
|----------------------------------|----------------------------|
| 1. Adelaide Hills                | 32. Onkaparinga            |
| 2. Alexandrina                   | 33. Orroroo/Carrieton      |
| 3. Barunga West                  | 34. Peterborough           |
| 4. Berri Barmera                 | 35. Playford               |
| 5. Campbelltown                  | 36. Port Adelaide, Enfield |
| 6. Ceduna                        | 37. Port Lincoln           |
| 7. Charles Sturt                 | 38. Port Pirie             |
| 8. Cleve                         | 39. Prospect               |
| 9. Copper Coast                  | 40. Renmark Paringa        |
| 10. Elliston                     | 41. Robe                   |
| 11. Flinders Ranges              | 42. Roxby Downs            |
| 12. Goyder                       | 43. Salisbury              |
| 13. Grant                        | 44. Southern Mallee        |
| 14. Holdfast Bay                 | 45. Streaky Bay            |
| 15. Kangaroo Island              | 46. Tatiara                |
| 16. Karoonda/East Murray         | 47. Tea Tree Gully         |
| 17. Kimba                        | 48. Tumby Bay              |
| 18. Kingston District            | 49. Unley                  |
| 19. Le Hunte                     | 50. Victor Harbor          |
| 20. Light Regional               | 51. Wakefield Region       |
| 21. Lower Eyre Peninsula         | 52. Walkerville            |
| 22. Loxton/Waikerie              | 53. Wattle Range           |
| 23. Mallala                      | 54. West Torrens           |
| 24. Marion                       | 55. Whyalla                |
| 25. Mid Murray                   | 56. Yorke Peninsula        |
| 26. Mitcham                      |                            |
| 27. Mount Barker                 |                            |
| 28. Mount Gambier                |                            |
| 29. Naracoorte / Lucindale       |                            |
| 30. Northern Areas               |                            |
| 31. Norwood, Payneham, St Peters |                            |

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**APPENDIX XI - Financial Statements**


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**INCOME STATEMENT**
**For the Year Ended 30 June 2006**


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	Note No.	2006 \$' 000	2005 \$' 000
<b>EXPENSES</b>			
Employee benefit costs	6	263	298
Supplies and services	7	130	127
<b>Total Expenses</b>		<b>393</b>	<b>425</b>
<b>INCOME</b>			
Revenues from fees and charges	9	26	26
Interest revenues	10	51	31
Other revenue	11	48	-
<b>Total Income</b>		<b>125</b>	<b>57</b>
<b>(Net Cost) of providing Services</b>		<b>(268)</b>	<b>(368)</b>
<b>Revenues from SA Government</b>			
Revenues from SA Government	12	377	367
<b>Net Result</b>		<b>109</b>	<b>(1)</b>

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

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

**BALANCE SHEET**

As at 30 June 2006

	Note No.	2006 \$' 000	2005 \$' 000
<b>Current Assets</b>			
Cash and cash equivalents	13	218	208
Receivables	14	14	4
<b>Total Current Assets</b>		<u>232</u>	<u>212</u>
<b>Total Assets</b>		<u>232</u>	<u>212</u>
<b>Current Liabilities</b>			
Payables	15	10	36
Employee Benefits	16	30	24
Other		-	48
<b>Total Current Liabilities</b>		<u>40</u>	<u>108</u>
<b>Non Current Liabilities</b>			
Payables	15	2	4
Employee Benefits	16	21	40
<b>Total Non Current Liabilities</b>		<u>23</u>	<u>44</u>
<b>Total Liabilities</b>		<u>63</u>	<u>152</u>
<b>Net Assets</b>		<u>169</u>	<u>60</u>
<b>Equity</b>			
Retained Earnings		169	60
<b>Total Equity</b>		<u>169</u>	<u>60</u>

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

Commitments for Expenditure	17
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The above Statement should be read in conjunction with the accompanying notes.

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**CASH FLOW STATEMENT**
**For the Year Ended 30 June 2006**


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	Note No.	2006 \$' 000	2005 \$' 000
<b>Cash flows from Operating Activities</b>			
<b>Cash Outflows</b>			
Employee benefit payments		(276)	(274)
Supplies and services		(158)	(117)
<b>Cash used in operations</b>		<b>(434)</b>	<b>(391)</b>
<b>Cash Inflows</b>			
Interest received		44	32
Revenues from fees and charges		23	25
Other receipts		-	48
<b>Cash generated from operations</b>		<b>67</b>	<b>105</b>
<b>Cash Flows from SA Government</b>			
Receipts from SA Government		377	367
<b>Cash generated from SA Government</b>		<b>377</b>	<b>367</b>
<b>Net cash provided by operating activities</b>	20	10	81
<b>Net Increase in cash</b>		10	81
Cash at 1 July		208	127
<b>Cash at 30 June</b>	13	<b>218</b>	<b>208</b>

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



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**STATEMENT OF CHANGES IN EQUITY****For the Year Ended 30 June 2006**

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	Note No.	Retained Earnings \$' 000	Total \$' 000
Balance at 30 June 2004		61	61
Net result for 2004-05		(1)	(1)
Balance at 30 June 2005		60	60
Net result		109	109
Balance at 30 June 2006		169	169

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

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

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**SA LOCAL GOVERNMENT GRANTS COMMISSION**


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**SA LOCAL GOVERNMENT GRANTS COMMISSION**

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

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**Note 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.

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

These Financial Statements are the first statements to be prepared in accordance with Australian Equivalent to International Financial Reporting Standards (AIFRS). AASB1 First time adoption of AIFRS has been applied in preparing these statements. Previous Financial Statements were prepared in accordance with Australian Generally Accepted Accounting Principles.

The SA Local Government Grants Commission Income Statement, Balance Sheet and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with 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 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 Function**

There have been no transferred functions during 2005-06.

**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 have required a change.

No comparative figure has had to be restated as a result of adopting AIFRS.

**e) Rounding**

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

**f) Taxation**

In accordance with the requirements of UIG Abstract 31 'Accounting for the Goods and Services Tax (GST)', revenues, expenses and assets are recognised net of the amount of GST.

The amount of GST incurred as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

The net 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.

There are no 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 SA Local Government Grant 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 the 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.

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

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

Income from the disposal of non-current assets is recognised when control of the asset has passed to the buyer and determined by comparing proceeds with the carrying amount. When revalued assets are sold, the revaluation increments are transferred to retained earnings in accordance with Accounting Policy Framework III *Asset Accounting Framework* paragraph APS 3.11.

Resources received/provided free of charge are recorded as revenue and expenditure in the Income Statement at their fair value in accordance with the Accounting Policy Framework III *Asset Accounting Framework* paragraph APS 2.12. Resources provided free of charge are recorded in the expense line items to which they relate.

Contributions are recognised as an asset and income when the SA Local Government Grants Commission obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met (ie the amount can be reliably measured and the flow of resources is probable).

Generally the SA Local Government Grants Commission has obtained control or the right to receive for:

- Contributions with unconditional stipulations - this will be when the agreement becomes enforceable ie the earlier of when the receiving entity has formally been advised that the contribution (eg grant application) has been approved; agreement/contract is executed; and/or the contribution is received.
- Contributions with conditional stipulations - this will be when the enforceable stipulations specified in the agreement occur or are satisfied; that is income would be recognised for contributions received or receivable under the agreement.

The Commission distributes untied Commonwealth Local Government Financial Assistance Grants to South Australian Local Governing Authorities. Total amounts are not controlled by the Commission, since they are made at the discretion of the Commonwealth Government. The allocation by the Commission must be in accordance with the national distribution principles under the Commonwealth Local Government (Financial Assistance) Act 1995.

Transactions and balances relating to these administered resources are not recognised as Commission revenues, expenses, assets or liabilities, but are disclosed in the Note 21 to the Financial Statements.

**h) Revenues from SA Government**

Appropriations for program funding are recognised as revenues when the SA Local Government Grants Commission obtains control over the funding. Control over appropriations is normally obtained upon receipt. Appropriation receipts are accounted for in accordance with Treasurer's Instruction 3 *Appropriation*.

**i) 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 12 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.

Where asset and liability line items combine amounts expected to be realised within twelve months and more than twelve months, the SA Local Government Grants Commission has separately disclosed the amounts expected to be recovered or settled after more than twelve months.

**j) Cash and cash equivalents**

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

**k) 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. The SA Local Government Grants Commission determines the provision for doubtful debts based on a review of balances within trade receivables that are unlikely to be collected. These are generally receivables that are 90 days or more overdue.

**l) 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 SA Local Government Grants 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, in accordance with TI 11 *Payment of Creditor Accounts*.

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

The SA Local Government Grants 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.

**m) 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.

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 of 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.

The liability for long service leave is recognised after an employee has completed 7 years of service as advised in Accounting Policy Framework IV *Financial Assets and Liabilities*. 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 SA Local Government Grants Commission's experience of employee retention and leave taken.

The unconditional portion of the long service leave provision is classified as current as the SA Local Government Grants Commission does not have any 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.

**l) 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 SA Local Government Grants 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.

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The unconditional portion of the long service leave provision is classified as current as the SA Local Government Grants Commission does not have any 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.

**Note 3 Financial Risk Management**

The SA Local Government Grants Commission has a low level of non-interest bearing and interest bearing assets and liabilities. The Commission's exposure to market risk and cash flow interest risk is minimal.

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

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

**Note 4 Changes in Accounting Policies**

*Explanation of transition to AIFRS*

The SA Local Government Grants Commission has adopted AIFRS for the year ended 30 June 2006. There was no impact on the comparatives as result of this transition nor has there been any accounting policy changes.

**Note 5 Programs of the SA Local Government Grants Commission**

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



<b>Note 6 Employee benefit costs</b>	<b>2006</b>	<b>2005</b>
	<b>\$' 000</b>	<b>\$' 000</b>
Salaries and wages	186	193
Long service leave	(18)	6
Annual leave	14	16
Employment on-costs - superannuation	23	19
Employment on-costs - other	13	15
Board fees (see Note 19)	45	49
<b>Total employee benefit costs</b>	<b>263</b>	<b>298</b>

#### Remuneration of Employees

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

<b>Note 7 Supplies and services</b>	<b>2006</b>	<b>2005</b>
	<b>\$' 000</b>	<b>\$' 000</b>
<b>Supplies and services provided by entities within the SA Government</b>		
Accommodation and service costs	17	19
Accounting and audit fees	3	5
Communications and information technology expense	6	8
Travel & related expenses	1	1
Other	-	8
<b>Total supplies and services - SA Government entities</b>	<b>27</b>	<b>41</b>
<b>Supplies and services provided by entities external to the SA Government</b>		
Accommodation and service costs	1	-
Payment to contractors	53	23
Printing and artwork	2	4
Staff related expenses	5	2
Travel & related expenses	30	15
Communications and information technology expenses	-	3
Consultants	-	16
Other expenses	12	23
<b>Total supplies and services - Non-SA Government entities</b>	<b>103</b>	<b>86</b>
<b>Total supplies and services</b>	<b>130</b>	<b>127</b>

The total supplies and services amount disclosed includes any GST amounts not-recoverable from the ATO due to the Commission not holding a valid tax invoice or payments relate to third party arrangements.

#### Consultants

The number and dollar amount of consultancies paid/payable to consultants outside the SA Government that fell within the following bands:

	<b>No.</b>	<b>2006</b>	<b>No.</b>	<b>2005</b>
		<b>\$' 000</b>		<b>\$' 000</b>
\$10,000 - \$20,000	-	-	1	16
<b>Total paid/payable to the consultants engaged</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>16</b>

There were no payments made to consultants in the year.

<b>Note 8 Auditor's remuneration</b>	<b>2006</b>	<b>2005</b>
	<b>\$' 000</b>	<b>\$' 000</b>
Audit fees paid/payable to the Auditor-General's Department	5	5
<b>Total audit fees</b>	<b>5</b>	<b>5</b>

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

<b>Note 9 Revenues from Fees and Charges</b>	<b>2006</b>	<b>2005</b>
	<b>\$' 000</b>	<b>\$' 000</b>
<b>Fees and charges received/receivable from entities within the SA Government</b>		
Administration of the Local Government Disaster Fund	20	20
<b>Total Fees and Charges - SA Government Entities</b>	<b>20</b>	<b>20</b>
<b>Fees and charges received/receivable from entities external to the SA Government</b>		
Regulatory Fees and Charges	6	6
<b>Total Fees and Charges - Non-SA Government Entities</b>	<b>6</b>	<b>6</b>
<b>Total Fees and Charges</b>	<b>26</b>	<b>26</b>
<b>Note 10 Interest revenues</b>	<b>2006</b>	<b>2005</b>
	<b>\$' 000</b>	<b>\$' 000</b>
Interest from entities within SA Government	51	31
<b>Total Interest Received</b>	<b>51</b>	<b>31</b>
<b>Note 11 Other revenue</b>	<b>2006</b>	<b>2005</b>
	<b>\$' 000</b>	<b>\$' 000</b>
<b>Other revenue received/receivable from entities within the SA Government:</b>		
Other	48	-
<b>Total other revenue - Non-SA Government entities</b>	<b>48</b>	<b>-</b>
<b>Total other revenue</b>	<b>48</b>	<b>-</b>
<b>Note 12 Revenue from SA Government</b>		
<b>Revenue from SA Government</b>		
Appropriations from Consolidated Account pursuant to the Appropriation Act	377	367
<b>Total revenue from SA Government</b>	<b>377</b>	<b>367</b>
<b>Note 13 Cash and cash equivalents</b>	<b>2006</b>	<b>2005</b>
	<b>\$' 000</b>	<b>\$' 000</b>
Deposits with the Treasurer	218	208
<b>Total cash</b>	<b>218</b>	<b>208</b>
<b>Interest rate risk</b>		
Cash on hand is non-interest bearing. Deposits at call with the Treasurer are bearing a floating interest rate between 5.35% and 5.43%. The carrying amount of cash approximates net fair value.		
<b>Note 14 Receivables</b>	<b>2006</b>	<b>2005</b>
	<b>\$' 000</b>	<b>\$' 000</b>
<b>Current</b>		
Receivables	4	1
Accrued Interest	10	3
<b>Total current receivables</b>	<b>14</b>	<b>4</b>
<b>Government / Non-Government Receivables</b>		
<b>Receivables from SA Government entities</b>		
Accrued Interest	10	3
<b>Total Receivables from SA Government entities</b>	<b>10</b>	<b>3</b>
<b>Receivables from Non-SA Government entities:</b>		
Receivables	-	1
Accrued Revenue	4	-
<b>Total receivables from Non-SA Government entities</b>	<b>4</b>	<b>1</b>
<b>Total receivables</b>	<b>14</b>	<b>4</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 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.

**Bad and doubtful debts**

There was no bad debt expense at 30 June 2006.

**Note 15 Payables**

	2006	2005
	\$' 000	\$' 000
<b>Current</b>		
Creditors and accrued expenses	5	32
Employee on-costs	5	4
<b>Total Current Payables</b>	<u>10</u>	<u>36</u>
<b>Non-Current</b>		
Employee on-costs	2	4
<b>Total Non-Current Payables</b>	<u>2</u>	<u>4</u>
<b>Total Payables</b>	<u>12</u>	<u>40</u>

	2006	2005
	\$' 000	\$' 000
<b>Government / Non Government Payables</b>		
<b>Payables to SA Government entities</b>		
Creditors and accrued expenses	5	32
Employee on-costs	7	8
<b>Total Payables to SA Government entities</b>	<u>12</u>	<u>40</u>
<b>Total Payables</b>	<u>12</u>	<u>40</u>

**Interest rate and credit risk**

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

**Note 16 Employee Benefits**

	2006	2005
	\$' 000	\$' 000
<b>Current</b>		
Accrued Salaries and Wages	5	3
Annual leave	24	21
Short-term Long Service leave	1	-
<b>Total Current Employee Benefits</b>	<u>30</u>	<u>24</u>
<b>Non-Current</b>		
Long Service Leave	21	40
<b>Total Non-Current Employee Benefits</b>	<u>21</u>	<u>40</u>
<b>Total Employee Benefits</b>	<u>51</u>	<u>64</u>



**Note 21 Disclosure of Administered Items**

	<b>2006</b>	<b>2005</b>
	<b>\$' 000</b>	<b>\$' 000</b>
<b>Administered Revenues</b>		
Commonwealth Financial Assistance Grants	112,976	107,700
Commonwealth Roads to Recovery Grants	6,250	5,000
Commonwealth Specific Purpose Grants	9,000	4,250
<b>Total Administered Revenues</b>	<b>128,226</b>	<b>116,950</b>
<b>Administered Expenses</b>		
Local Government Financial Assistance Grants	112,976	107,700
Local Government Roads to Recovery Grants	2,500	5,000
Commonwealth Specific Purpose Grants	9,000	4,250
<b>Total Administered Expenses</b>	<b>124,476</b>	<b>116,950</b>
<b>Net Operating Surplus/Deficit</b>	<b>3,750</b>	<b>-</b>
<b>Administered Cash</b>	<b>3,750</b>	<b>-</b>

\$3.75 million (Revenue in Advance) received just before 30 June 2006 is to be distributed in October/November through the supplementary Roads to Recovery Grant for 2006-07.

**Note 22 Events After Balance Date**

No events occurred after balance date that affected the financial statements of the SA Local Government Grants Commission as at 30 June 2006.

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**SA LOCAL GOVERNMENT GRANTS COMMISSION**

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**Certification of the Financial Report**

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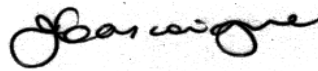
We certify that:

- 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 Local Government Grants Commission as at 30 June 2006, and the result of its operations and its cash flows for the year ended;
- the attached financial statements are in accordance with the accounts and records of the authority and give an accurate indication of the financial transactions of the authority 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 2006



Jane Gascoigne  
**Executive Officer**  
**SA Local Government**  
**Grants Commission**

19 December 2006



Government of South Australia  
Auditor-General's Department

## INDEPENDENT AUDIT REPORT

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### TO THE CHAIRMAN SOUTH AUSTRALIAN LOCAL GOVERNMENT GRANTS COMMISSION

#### SCOPE

In accordance with the provisions of section 33 of the *Public Finance and Audit Act 1987*, I have audited the financial report of the South Australian Local Government Grants Commission for the financial year ended 30 June 2006. The financial report comprises:

- An Income Statement;
- A Balance Sheet;
- A Statement of Changes in Equity;
- A Cash Flow Statement;
- Notes to the Financial Statements;
- Certificate by the Chairman and the Executive Officer, South Australian Local Government Grants Commission.

The members of the South Australian Local Government Grants Commission are responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to the Chairman.

The audit has been conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing and Assurance Standards to provide reasonable assurance whether the financial report is free of material misstatement.

Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with my understanding of the South Australian Local Government Grants Commission's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

#### AUDIT OPINION

In my opinion, the financial report presents fairly, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the South Australian Local Government Grants Commission as at 30 June 2006, the results of its operations and its cash flows for the year then ended.

**S O'Neill**  
Deputy Auditor-General  
11 January 2007

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