



Australian Government

**Department of Infrastructure, Transport,
Regional Development, Communications and the Arts**

Local Government National Report 2021–22



2021–22 report on the
operation of the
Local Government
(Financial Assistance)
Act 1995



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Transmittal letter



Australian Government

**Department of Infrastructure, Transport,
Regional Development, Communications and the Arts**

Secretary
Jim Betts

EC23-006000

The Hon Kristy McBain MP
Minister for Regional Development, Local Government and Territories
Parliament House
CANBERRA ACT 2600

Dear Minister McBain

Tabling of the 2021-22 Local Government National Report

In accordance with Section 16 of the *Local Government (Financial Assistance) Act 1995* (the Act), I provide you with the 2021-22 Local Government National Report (the Report) on the operation of the Act for you to present to both Houses of Parliament.

The Report has been prepared with the cooperation of all levels of government and local government associations, in accordance with the reporting requirements under the Act.

Yours sincerely

A handwritten signature in dark ink that reads "Jim Betts".

Jim Betts

22 January 2024

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The Australian Government recognises that the national interest is served through improving the capacity of local government to deliver services to all Australians by enhancing the performance and efficiency of the sector. The *Local Government (Financial Assistance) Act 1995 (Cth)* (the Act) is an important means used to achieve these goals.

During 2021–22, Australia had 546 local governing bodies eligible to receive funding under the Australian Government's Financial Assistance Grant program. The Act provides the legislative basis for this program. These 546 local governing bodies are:

- 535 local governments
- 10 declared local governing bodies, consisting of 5 Indigenous local governments and the Outback Areas Community Development Trust in South Australia; the Local Government Association of Northern Territory; the Silverton and Tibooburra villages; and Lord Howe Island in New South Wales
- the Australian Capital Territory, which receives funding through the Financial Assistance Grant program as it maintains both territorial and local government functions.

The Act defines the term 'local governing bodies' in a way that includes local governments established under state and Northern Territory legislation as well as 'declared bodies'. The terms 'council' and 'local government' are used interchangeably in this report to encompass all local governing bodies.

Declared bodies are funded under the Financial Assistance Grant program and are treated as local governments for the purposes of grant allocations. However, declared bodies are not local governments and have different legislative obligations. Due to this difference, data in this report that relates to local government may not be directly comparable to that for local governing bodies. Also, data relating to local government cannot be directly compared to that for the Australian Capital Territory, as the Australian Capital Territory performs both territorial and local government functions.

Local government functions

While the structure, powers and responsibilities of the Australian and state governments were established during federation, local government was not identified as a Commonwealth responsibility – it is a state and Northern Territory responsibility. The states and the Northern Territory established the legal and regulatory framework to create and operate local government. As such, there are significant differences between the systems overseeing councils.

The main roles of local government are governance, planning, community development, service delivery, asset management and regulation.

Local governments are close to their communities and have unique insights into local and community needs. Councils determine service provision according to local needs and the requirements of state and territory legislation.

Population

The estimated resident population of Australia at 30 June 2022 was 25,978,935, an increase of 290,900 persons or 1.1 per cent from 30 June 2021. All states and territories experienced positive growth for the year ending 30 June 2022. Queensland recorded the highest growth rate (2.0 per cent) while Tasmania and the Northern Territory recorded the lowest (0.6 per cent).

The Australian Bureau of Statistics publishes information on Australia's population through its series, the <https://www.abs.gov.au/statistics/people/population/national-state-and-territory-population>.

Diversity

Local government can be highly diverse, both within and between jurisdictions. This diversity extends beyond rural-metropolitan differences. In addition to size and population, other significant differences between councils include:

- the attitudes and aspirations of local communities
- fiscal position (including revenue-raising capacity), resources and skills base
- legislative frameworks, including voting rights and electoral systems for example
- physical, economic, social and cultural environments
- range and scale of functions.

Aboriginal and Torres Strait Islander councils

Aboriginal and Torres Strait Islander councils have been established under different legislative frameworks. They can be established under the mainstream local government legislation of a jurisdiction or through distinct legislation. They can also be 'declared' to be local governing bodies by the Australian Government Minister responsible for local government (the Federal Minister) on advice from a state or Northern Territory minister for the purpose of providing funding under the Financial Assistance Grant program.

National representation of local government

From 1 July 2021 until the federal election on 21 May 2022, the interests of local government were represented by a number of state-based and national associations, like the Local Government Association of Queensland and the Australian Local Government Association, for example. Local government was not represented on National Cabinet.

At the National Cabinet meeting of 17 June 2022, the Prime Minister confirmed that a representative of local government will be invited to National Cabinet and the Council on Federal Financial Relations once a year. In addition, the Albanese Government commenced re-establishing the Australian Council of Local Government.

Australian Local Government Association

The Australian Local Government Association is a federation of state and Northern Territory local government associations. The Australian Local Government Association aims to add value, at the national level, to the work of state and territory associations and their member councils. Further information is available at <https://alga.com.au>.

Australian Government grant to local government

The Australian Government supports local government through the Financial Assistance Grant program, specific purpose payments (SPPs) and direct funding.

In 2021–22, the Australian Government provided \$3.5 billion in untied funding under the Financial Assistance Grant program to local governing bodies and the Australian Capital Territory Government. The Australian Government brought forward \$2.1 billion of the budgeted allocation for 2022–23 and paid this funding to states and territories in April 2022. The means of distributing funding provided under the Financial Assistance Grant program is discussed in Chapter 2. Allocations to local governing bodies for 2021–22 are provided in Appendix D.

Under the Intergovernmental Agreement on Federal Financial Relations, the Australian Government provided ongoing financial support to the states and territories for local government service delivery through:

- national SPPs to be spent in key service delivery sectors
- national partnership payments to support delivery of specified outputs or projects, facilitate reforms or reward those jurisdictions that deliver on nationally significant reforms
- general revenue assistance, including GST payments.

The national SPPs are distributed among the states each year in accordance with the Australian Statistician's determination of state population shares. An equal per capita distribution of the SPPs ensures that all Australians, regardless of the jurisdiction they live in, are provided with the same share of Commonwealth funding support for state service delivery.

Total payments to the states for specific purposes constitute a significant proportion of Commonwealth expenditure. In 2021–22, total SPPs were estimated in the 2021–22 Budget to total \$73.8 billion, an increase of \$3.1 billion or 4 per cent compared with 2020–21 (Australian Government, *Budget measures: Budget paper Number 3, 2021–22*).

Local government finances

Share of taxation revenue by sphere of government

Local government taxation revenue increased \$751 million (3.7 per cent) from \$20,089 million in 2020–21. Local government taxation revenue in 2021–22 amounted to 3.1 per cent of all taxes raised across all spheres of government in Australia. Taxes on property were the sole source of taxation revenue for local governments in 2021–22 (Australian Bureau of Statistics, *Taxation Revenue, Australia, 2021–22*, ABS catalogue number 5506.0). Table 1 provides further information on the local government share of taxation revenue in 2021–22.

Table 1 Share of taxation revenue, by sphere of government and source, 2021–22

Revenue source	Federal (%)	State (%)	Local (%)	Total (%)
Taxes on income	61.8	0.0	0.0	61.8
Employers payroll taxes	0.2	4.1	0.0	4.2
Taxes on property	0.0	2.3	3.1	5.3
Taxes on provision of goods and services	17.3	7.7	0.0	25.0
Taxes on use of goods and performance activities	1.4	2.3	0.0	3.7
Total	81.1	15.7	3.4	100.0

Notes: Figures may not add to totals due to inclusion of external territories and rounding.

'-' represents nil or figure rounded to zero.

Source: Australian Bureau of Statistics, *Taxation Revenue, Australia, 2021–22*, Total Taxation Revenue, ABS catalogue number 5506.0.

Local government revenue sources

In 2021–22, councils raised 80.5 per cent of their total revenue, with grants and subsidies making up the remaining 19.5 per cent (refer to Table 2). Individual councils have differing abilities to raise revenue. These differing abilities may not be apparent when national or even state averages are considered. The differences between urban, rural and remote councils – such as population size, rating base and their ability to levy user charges – affect the ability of a council to raise revenue.

Table 2 Local government revenue sources by jurisdiction in 2021–22

Revenue source in millions of dollars	NSW	Vic	Qld	WA	SA	Tas	NT	Total
Taxation	5,362 (29.5%)	5,985 (47.4%)	4,567 (31.4%)	2,567 (49.3%)	1,749 (60.5%)	459 (43.5%)	151 (30.5%)	20,840 (37.9%)
Sales of goods and services	5,368 (29.5%)	2,221 (17.6%)	4,771 (32.8%)	1,095 (21.0%)	476 (16.5%)	246 (23.3%)	112 (22.5%)	14,291 (26.0%)
Interest	143 (0.8%)	64 (0.5%)	90 (0.6%)	45 (0.9%)	13 (0.4%)	5 (0.5%)	3 (0.6%)	365 (0.7%)
Other*	3,473 (19.1%)	2,299 (18.2%)	2,117 (14.6%)	492 (9.4%)	177 (6.1%)	132 (12.5%)	105 (21.1%)	9,677 (18.3%)
Total own-source revenue	14,346	10,569	11,545	4,199	2,415	842	379	44,298
Grants and subsidies	3,843 (21.1%)	2,061 (16.3%)	2,997 (20.6%)	1,009 (19.4%)	477 (16.5%)	214 (20.3%)	116 (23.4%)	10,717 (19.5%)
Total grant revenue	3,843	2,061	2,997	1,009	477	214	116	10,717
Total revenue	18,189 (100.0%)	12,630 (100.0%)	14,542 (100.0%)	5,208 (100.0%)	2,892 (100.0%)	1,056 (100.0%)	495 (100.0%)	55,014 (100.0%)

Notes: Figures may not add to totals due to inclusion of external territories and rounding.

* Other revenue relates to items that are not recurrent and are not generated by the ordinary operations of the organisation, including items such as parking and other fines, rental incomes, insurance claims and revaluation adjustments.

Source: Australian Bureau of Statistics, Government Finance Statistics, Australia, 2021–22, ABS catalogue number 5512.0.

Local government revenue – taxes

One way local governments raise revenue is through rates on property. In 2021–22, 37.9 per cent of local government revenue nationally came from rates. The proportion of revenue from rates varied notably between jurisdictions – from a high of 60.5 per cent for South Australia to a low of 29.5 per cent in New South Wales – and 16.0 per cent of local government revenue was classified as ‘other’ (refer to Table 2).

Rates in each state and, in part, the Northern Territory are based on a land valuation. However, methods for assessing land value differ significantly between states.

Local government revenue – other non-grant revenue sources

Local government received 26.0 per cent of its revenue in 2021–22 from the sale of goods and services (refer to Table 2).

Councils in the Northern Territory relied more on government grants and subsidies than councils in other jurisdictions, as they raised from their own sources only 76.6 per cent of their total revenue. In the remaining states, the proportion of revenue raised from own sources ranged from 78.9 per cent for New South Wales councils to 83.7 per cent for Victorian councils (refer to Table 2).

Local government expenditure

Local government expenditure is primarily on general public services (22.7 per cent) followed by transport (21.3 per cent) and recreation, culture and religion (16.6 per cent) (refer to Table 3).

Table 3 Local government expenditure by purpose and jurisdiction in 2021–22

Expenditure in millions of dollars	NSW	Vic	Qld	WA	SA	Tas	NT	Total
General public services	3,414 (25.4%)	1,837 (17.8%)	3,109 (27.1%)	952 (21.2%)	162 (6.5%)	213 (25.4%)	203 (41.1%)	9,891 (22.7%)
Public order and safety	441 (3.3%)	250 (2.4%)	272 (2.4%)	157 (3.5%)	57 (2.3%)	5 (0.6%)	21 (4.3%)	1,202 (2.8%)
Economic affairs	701 (5.2%)	513 (5.0%)	446 (3.9%)	201 (4.5%)	186 (7.5%)	39 (4.7%)	22 (4.5%)	2,108 (4.8%)
Environmental protection	2,742 (20.4%)	1,622 (15.7%)	1,491 (13.0%)	304 (6.8%)	459 (18.5%)	116 (13.9%)	19 (3.8%)	6,754 (15.5%)
Housing and community amenities	1,282 (9.5%)	700 (6.8%)	1,495 (13.0%)	454 (10.1%)	249 (10.0%)	77 (9.2%)	66 (13.4%)	4,323 (9.9%)
Health	86 (0.6%)	204 (2.0%)	68 (0.6%)	76 (1.7%)	66 (2.7%)	11 (1.3%)	7 (1.4%)	519 (1.2%)
Recreation, culture and religion	1,976 (14.7%)	2,050 (19.8%)	1,403 (12.2%)	968 (21.6%)	632 (25.5%)	143 (17.1%)	64 (13.0%)	7,237 (16.6%)
Education	111 (0.8%)	161 (1.6%)	7 (0.1%)	5 (0.1%)	0 (0.0%)	1 (0.0%)	4 (0.8%)	289 (0.7%)
Social protection	402 (3.0%)	1,096 (10.6%)	78 (0.7%)	208 (4.6%)	131 (5.3%)	22 (2.6%)	35 (7.1%)	1,972 (4.5%)
Transport	2,283 (17.0%)	1,907 (18.4%)	3,113 (27.1%)	1,162 (25.9%)	540 (21.8%)	210 (25.1%)	53 (10.7%)	9,268 (21.3%)
Total	13,437 (100.0%)	10,340 (100.0%)	11,482 (100.0%)	4,489 (100.0%)	2,483 (100.0%)	836 (100.0%)	495 (100.0%)	43,563 (100.0%)

Notes: Figures may not add due to rounding.

'-' represents nil or figure rounded to zero.

Source: Australian Bureau of Statistics, Government Finance Statistics, Australia, 2021–22, ABS catalogue number 5512.0.

Assets and liabilities

In 2021–22, local government in Australia had a net worth of \$563,877 million, with assets worth \$589,869 million and liabilities worth \$25,992 million (refer to Table 4 and Table 5).

On a state basis, only councils in South Australia had a negative net debt position as at 30 June 2022, while all the other states and the Northern Territory each had a net surplus (refer to Table 5).

Table 4 Local government assets in 2021–22

Assets in millions of dollars	NSW	Vic	Qld	WA	SA	Tas	NT	Total
Financial								
Currency and deposits	2,897	2,261	6,205	3,016	67	624	217	15,287
Advances	0	5	0	2	95	2	0	104
Other loans and placements	0	4,933	1,235	421	19	0	0	6,609
Equity including contributed capital	0	0	5,890	559	147	1,686	0	8,232
Other financial assets	15,731	1,584	2,445	390	290	64	173	20,678
Total financial assets	18,628	8,783	15,775	4,388	619	2,377	390	50,961
Non-financial								
Buildings and structures	137,341	66,846	113,481	38,413	20,591	8,267	2,251	387,192
Machinery and equipment	1,718	1,059	1,573	1,424	384	144	65	6,366
Other fixed produced assets	0	265	284	0	0	10	0	558
Other produced assets	1,155	1,177	1,143	79	14	245	142	3,955
Land	51,907	57,230	15,066	5,109	7,566	3,147	588	140,611
Other non-produced assets	225	0	0	0	0	0	0	225
Total non-financial assets	192,345	126,576	131,547	45,025	28,555	11,812	3,047	538,908
Total assets	210,973	135,360	147,323	49,413	29,174	14,189	3,437	589,869

Notes: These figures may not add to totals due to rounding.

Source: Australian Bureau of Statistics, Government Finance Statistics, Australia, 2021–22, ABS cat. Number 5512.0.

Table 5 Local government liabilities and net worth and debt in 2021–22

Liabilities	NSW	Vic	Qld	WA	SA	Tas	NT	Total
Currency and deposits	62	521	28	43	122	20	0	796
Advances	0	111	0	0	236	8	2	356
Other loans and placements	3,508	1,094	6,363	557	445	272	15	12,253
Debt securities	0	0	0	0	0	0	0	0
Provisions for defined benefit superannuation	0	0	0	0	0	0	0	0
Other liabilities	3,668	2,625	4,230	966	672	233	193	12,586
Total liabilities	7,238	4,351	10,620	1,566	1,475	532	210	25,992
Net financial worth†	203,735	131,009	136,703	47,847	27,699	13,657	3,227	563,877
Net debt*	11,390	4,432	5,156	2,822	-855	1,845	180	24,969

Notes: These figures may not add to totals due to rounding.

† Net financial worth is the difference between total assets and total liabilities.

* Net debt comprises memorandum items for comparison only. They do not derive from the above calculations. Net debt is the sum of selected financial liabilities, deposits held, advances received, government securities, loans, and other borrowing, less the sum of selected financial assets, cash and deposits, advances paid, and investments, loans and placements. Net debt is a common measure of the strength of a government's financial position.

Source: Australian Bureau of Statistics, Government Finance Statistics, Australia, 2021–22, ABS cat. Number 5512.0.

History of the arrangements

Financial Assistance Grant program funding is provided under the *Local Government (Financial Assistance) Act 1995 (Cth)* (the Act), which replaced the *Local Government (Financial Assistance) Act 1986 (Cth)* from 1 July 1995.

Funding from the Australian Government to local government began in 1974–75. At that time, funding was determined by the Commonwealth Grants Commission on a horizontal equalisation basis, as defined in Appendix A.

The *Local Government (Financial Assistance) Act 1986 (Cth)* was amended to reflect a new indexation formula which was derived from the Consumer Price Index and population growth. In addition, Local Government Grants Commissions were introduced to determine distributions to individual councils within their state or territory. These took into account a horizontal equalisation principle and a 30 per cent minimum grant principle, as defined in Appendix A.

From 1 July 1991, in addition to the already existing, untied general purpose component, the untied local road component was introduced to replace specific purpose funding for local roads provided under the *Australian Land Transport Development Act 1988 (Cth)*. The local road formula, agreed to by all Premiers, is intended to help local government with the cost of maintaining local roads. The changes to the Act introduced the untied local road component and formalised a set of National Principles covering both the general purpose and local road components. Each Local Government Grants Commission must consider the National Principles when determining allocations to local governing bodies. Further information on the National Principles is provided in Appendix A.

The objectives of the general purpose component include improving the capacity of local governments to provide their communities with an equitable level of services and increasing local government's efficiency and effectiveness. The objective of the identified road component is to support local governing bodies with funding allocated on the basis of relative needs for roads expenditure and to preserve road assets.

The yearly Financial Assistance Grant program funding is paid quarterly from the Commonwealth to the states and territories, which pass on the funding to local governments without delay. This funding is untied in the hands of local government, meaning local governments are not obliged to spend the funding in any particular way. Rather, local governments determine how they spend the funding to meet local priorities.

In May 2009, the Act was amended to allow early payment of funding, from the next financial year, to be made in the current financial year. Bring forward payments are reflected in the Treasurer's Determination in the year they are paid.

Quantum of Financial Assistance Grant allocations

Table 6 shows funding under the Financial Assistance Grant program since the introduction of the general purpose component in 1974–75 and the local road component in 1991–92.

Table 6 National Financial Assistance Grant allocations, 1974–75 to 2021–22

Year	General purpose (\$)	Local road (\$)	Total (\$)
1974–75	56,345,000	n/a	56,345,000
1975–76	79,978,000	n/a	79,978,000
1976–77	140,070,131	n/a	140,070,131
1977–78	165,327,608	n/a	165,327,608
1978–79	179,426,870	n/a	179,426,870
1979–80 ^a	222,801,191	n/a	222,801,191
1980–81	302,226,347	n/a	302,226,347
1981–82	352,544,573	n/a	352,544,573
1982–83	426,518,330	n/a	426,518,330
1983–84	461,531,180	n/a	461,531,180
1984–85	488,831,365	n/a	488,831,365
1985–86	538,532,042	n/a	538,532,042
1986–87	590,427,808	n/a	590,427,808
1987–88	636,717,377	n/a	636,717,377
1988–89	652,500,000	n/a	652,500,000
1989–90	677,739,860	n/a	677,739,860
1990–91	699,291,988	n/a	699,291,988
1991–92 ^b	714,969,488	303,174,734	1,018,144,222
1992–93 ^c	730,122,049	318,506,205	1,048,628,254
1993–94	737,203,496	322,065,373	1,059,268,869
1994–95	756,446,019	330,471,280	1,086,917,299
1995–96 ^d	806,748,051	357,977,851	1,164,725,902
1996–97	833,693,434	369,934,312	1,203,627,746
1997–98	832,859,742	369,564,377	1,202,424,119
1998–99	854,180,951	379,025,226	1,233,206,177
1999–2000	880,575,142	390,737,104	1,271,312,246
2000–01	919,848,794	408,163,980	1,328,012,774
2001–02	965,841,233	428,572,178	1,394,413,411
2002–03	1,007,855,328	447,215,070	1,455,070,398
2003–04	1,039,703,554	461,347,062	1,501,050,616
2004–05	1,077,132,883	477,955,558	1,555,088,441
2005–06	1,121,079,905	497,456,144	1,618,536,049
2006–07	1,168,277,369	518,399,049	1,686,676,418
2007–08	1,234,986,007	547,999,635	1,782,985,642
2008–09	1,621,289,630	719,413,921	2,340,703,551
2009–10	1,378,744,701	611,789,598	1,990,534,299
2010–11	1,446,854,689	642,012,005	2,088,866,694
2011–12	1,856,603,939	823,829,803	2,680,433,742

Year	General purpose (\$)	Local road (\$)	Total (\$)
2012–13	1,525,571,456	676,940,950	2,202,512,406
2013–14	798,026,429	354,107,812	1,152,134,241
2014–15	2,377,879,350	1,055,135,046	3,433,014,396
2015–16	792,547,187	351,676,511	1,144,223,698
2016–17	2,405,539,222	1,067,408,546	3,472,947,768
2017–18	1,670,887,544	741,421,976	2,412,309,520
2018–19	1,721,014,169	763,664,637	2,484,678,806
2019–20	1,784,003,288	791,614,762	2,575,618,050
2020–21	1,804,876,126	800,876,655	2,605,752,781
2021–22	2,445,246,176	1,085,027,692	3,530,273,868
Total	45,981,417,021	17,413,485,052	63,394,902,073

Notes:

- Grants to the Northern Territory under the program commenced in 1979–80, with the initial allocation being \$1,061,733.
- Before 1991–92, local road funding was provided as tied grants under different legislation.
- In 1992–93, part of the road grant entitlement of the Tasmanian and Northern Territory governments was reallocated to local government in these jurisdictions.
- Grants to the Australian Capital Territory under the program commenced in 1995–96.

All funding represents actual entitlements.

n/a = not applicable.

Source: Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

Overview of current arrangements

The following actions were taken to distribute funding in 2021–22 to local government under the Financial Assistance Grant program and in accordance with the Act. They reflect the different roles and responsibilities that the Commonwealth and the states and territories have under the Act.

- Before the start of the financial year, the Australian Government estimated the quantum of general purpose and local road components that were to be allocated to local government across the nation. This is equal to the national grant final entitlement for the previous financial year multiplied by the estimated escalation factor resulting from changes in population and the Consumer Price Index.
- The Australian Government Minister responsible for local government (the Federal Minister) advised the states and territories of their estimated quantum of general purpose and local road components, calculated in accordance with the Act.
- Local Government Grants Commissions in each state and the Northern Territory recommended to their local government minister, the general purpose and local road component allocations to be made to local governing bodies in their jurisdiction. The recommendations were made in accordance with National Principles formulated under the Act for allocating grants. The Australian Capital Territory does not have a Local Government Grants Commission as the territory government provides local government services in lieu of having a system of local government.
- State and Northern Territory local government ministers forwarded the recommendations of the Local Government Grants Commission in their jurisdiction to the Federal Minister.

- When satisfied that the states and territories had adopted the recommendations of their Local Government Grants Commissions, the Federal Minister approved payment to the states and territories. The Australian Government paid the grant in quarterly instalments to the states and territories, which, without undue delay, passed them on to local governing bodies within their jurisdictions in accordance with the recommended allocations.
- When updated Consumer Price Index and population information became available toward the end of the financial year, an actual escalation factor was calculated and the actual grant entitlement for 2021–22 was determined. As population estimates are applied to the general purpose component, jurisdictions experiencing a negative population change from one year to the next will receive a declining share of the general-purpose funding.
- Any difference between the estimated and actual entitlements in the current year is combined with the estimated entitlement in the next year to determine the next year's cash payment. This is known as the 'adjustment' referred to in the Act.

Determining the quantum of the grant

Section 8 of the Act specifies the formula the Treasurer of the Commonwealth (the Treasurer) is to apply each year to calculate the escalation factors used to determine the funding under the Financial Assistance Grant program. The escalation factors are based on changes in the Consumer Price Index and population.

The Act provides the Treasurer with discretion to increase or decrease the escalation factors in special circumstances. When applying this discretion, the Treasurer is required to have regard to the objects of the Act and any other matter the Treasurer thinks relevant. The same escalation factor is applied to both the general purpose and local road components.

Objects of the Act

Sub-section 3(2) of the Act states the objects as follows.

The Parliament of Australia wishes to provide financial assistance to the States for the purposes of improving:

- a. the financial capacity of local governing bodies; and
- b. the capacity of local governing bodies to provide their residents with an equitable level of services; and
- c. the certainty of funding for local governing bodies; and
- d. the efficiency and effectiveness of local governing bodies; and
- e. the provision by local governing bodies of services to Aboriginal and Torres Strait Islander communities.

Determining entitlements for 2021–22 and 2022–23

The calculations of the 2021–22 actual entitlement and the 2022–23 estimated entitlement, using the final escalation factor (the final factor) and estimated escalation factor (the estimated factor), are set out in the Treasurer's Determination in Figure 1 and Figure 2.

The estimated entitlement for 2021–22 was \$1.3 billion (refer to Table 7), consisting of \$921.9 million under the general purpose component (refer to Table 8) and \$409.1 million under the identified local road component (refer to Table 9).

In the 2022–23 Budget, the Australian Government brought forward \$2.1 billion being 75 per cent of the 2022–23 estimate for payment in 2021–22. This funding consisted of a general purpose component of \$1.5 billion and a local road component of \$649.5 million.

The final entitlement for 2021–22 to local governments was \$3.5 billion (refer to Table 10), broken out into the general purpose component of \$2.4 billion (refer to Table 11) and the identified local road component of \$1.1 billion (refer to Table 12).

The positive adjustment of \$85.9 million was applied to the estimated entitlement in the following year (2022–23). Refer to the section headed 'Variations in reported grants'.

In 2021–22, all jurisdictions experienced a population increase from 2020–21 and an increasing share of the general purpose component.

Figure 1 Determination by the Assistant Minister for Competition, Charities and Treasury of the final factor for 2021–22

Part 2 – Final factor for the year 2021–22

5 Determination of final factor for 2021–22

For the purposes of subsection 8(1) of the Act, the factor in relation to the 2021–22 year is 1.3548.

6 How the final factor was worked out

- (1) Under subsection 8(1) of the Act, the factor in relation to the 2021–22 year is to be worked out by applying the formula set out in paragraph 8(1)(a) of the Act and then adjusting the result under whichever of paragraphs 8(1)(b) and (c) of the Act are applicable.

Paragraph 8(1)(a) formula

- (2) The factor calculated under paragraph 8(1)(a) of the Act is as follows:

$$\frac{25,633,846}{25,522,090} \times \frac{123.9}{117.9} = 1.05549$$

Note 1: Under section 4A, the Statistician made the estimate of the population of Australia as at 31 December 2020 on 28 June 2022 (published and available at <https://www.abs.gov.au>).

Note 2: Under section 4A, the Statistician made the estimate of the population of Australia as at 31 December 2019 on 28 June 2022 (published and available at <https://www.abs.gov.au>).

Note 3: The formula uses the All Groups Consumer Price Index number, being the weighted average of the 8 capital cities, published on 27 April 2022 by the Statistician in respect of the 2022 March quarter (published and available at <https://www.abs.gov.au>).

Note 4: The formula uses the All Groups Consumer Price Index number, being the weighted average of the 8 capital cities, published on 28 April 2021 by the Statistician in respect of the 2021 March quarter (published and available at <https://www.abs.gov.au>).

Paragraph 8(1)(b) modification

- (3) The result of subsection (2) was modified by increasing the factor by 0.0001 under paragraph 8(1)(b) of the Act as the fifth decimal place was greater than 4.

Paragraph 8(1)(c) modification

- (4) The result of subsection (3) was modified under paragraph 8(1)(c) of the Act as a result of special circumstances, being the need to account for the Commonwealth's decision to bring forward the first 2 quarterly payments in the 2021–22 year into the 2020–21 year and the first 3 quarterly payments in the 2022–23 year into the 2021–22 year. The modification was worked out by multiplying the result of subsection (3) by the following formula:

$$\frac{2021-22 \text{ amount} - 2020-21 \text{ amount} + 2022-23 \text{ amount}}{2020-21 \text{ final entitlement}} \times \frac{1}{\text{sub (3) factor}}$$

Where:

2020–21 amount means the first 2 quarterly payments that were brought forward from the year 2021–22 to be paid in the year 2020–21.

2021–22 amount means the amount that would have been the base figure for the year 2021–22 if the Commonwealth had not decided to bring forward any quarterly payments.

2022–23 amount means the first 3 quarterly payments that were brought forward from the year 2022–23 to be paid in the year 2021–22.

2020–21 final entitlement means the base figure for the year 2020–21.

sub (3) factor means the result of subsection (3).

Figure 2 *Determination by the Assistant Minister for Competition, Charities and Treasury of the estimated factor for 2022–23*

Part 3 – Estimated factor for the year 2022–23

7 Determination of estimated factor for 2022–23

For the purposes of paragraph 7(3)(b) of the Act, the estimated factor in relation to the 2022–23 year is 0.1993.

8 How the estimated factor has been worked out

- (1) Under subsection 8(1) of the Act, the factor in relation to the 2022–23 year is to be worked out by applying the formula set out in paragraph 8(1)(a) of the Act and then adjusting the result under whichever of paragraphs 8(1)(b) and (c) of the Act are applicable.
- (2) The factor calculated under paragraph 8(1)(a) of the Act is as follows:

Note 1: Under section 4A, the Statistician made the estimate of the population of Australia as at 31 December 2021 on 28 June 2022 (published and available at <https://www.abs.gov.au>).

Note 2: Under section 4A, the Statistician made the estimate of the population of Australia as at 31 December 2020 on 28 June 2022 (published and available at <https://www.abs.gov.au>).

Note 3: The formula uses the 2022–23 Budget forecast of the Department of the Treasury of the All Groups Consumer Price Index number, being the weighted average of the 8 capital cities, in respect of the 2023 March quarter.

Note 4: The formula uses the All Groups Consumer Price Index number, being the weighted average of the 8 capital cities, published on 27 April 2022 by the Statistician in respect of the 2022 March quarter (published and available at <https://www.abs.gov.au>).

Paragraph 8(1)(b) modification

- (3) The result of subsection (2) was modified by increasing the factor by 0.0001 under paragraph 8(1)(b) of the Act as the fifth decimal place was greater than 4.

Paragraph 8(1)(c) modification

- (4) The result of subsection (3) was modified under paragraph 8(1)(c) of the Act as a result of special circumstances, being the need to account for the Commonwealth's decision to bring forward the first 3 quarterly payments in the 2022–23 year into the 2021–22 year. The modification was worked out by multiplying the result of subsection (3) by the following formula:

$$\frac{\text{2022–23 amount} - \text{2021–22 amount}}{\text{2021–22 final entitlement}} \times \frac{1}{\text{sub (3) factor}}$$

Where:

2021–22 amount means the first 3 quarterly payments that were brought forward from the year 2022–23 to be paid in the year 2021–22.

2022–23 amount means the amount that would have been the base figure for the year 2022–23 if the Commonwealth had not decided to bring forward any quarterly payments.

2021–22 final entitlement means the base figure for the year 2021–22.

sub (3) factor means the result of subsection (3).

Table 7 Entitlements 2021–22

Totals	2020–21 final entitlement (in \$)	Multiplied by 2021–22 estimated factor	Equals 2021–22 estimated entitlement (in \$)	Then add 2020–21 adjustment & bring forward (in \$)	Equals 2021–22 cash payment (in \$)
General purpose	1,804,876,126	0.5108	921,930,725	1,490,740,716	2,412,671,441
Local road	800,876,655	0.5108	409,087,795	661,485,528	1,070,573,323
Total	2,605,752,781	N/A	1,331,018,520	2,152,226,244	3,483,244,764

Table 8 General purpose entitlements in 2021–22

General purpose	2020–21 final entitlement (in \$)	31 December 2020 population*	Equals 2021–22 estimated entitlement (in \$)	Then add 2020–21 adjustment & bring forward (in \$)	Equals 2021–22 cash payment (in \$)
NSW	574,719,921	8,172,505*	293,288,083	474,201,440	767,489,523
VIC	470,474,706	6,661,736*	239,070,858	384,897,432	623,968,290
QLD	362,816,584	5,194,879*	186,429,510	302,419,535	488,849,045
WA	186,869,613	2,670,241*	95,827,395	155,526,255	251,353,650
SA	124,409,262	1,770,790*	63,548,643	102,876,415	166,425,058
TAS	38,018,660	541,506*	19,433,118	31,427,916	50,861,034
NT	17,320,005	246,561*	8,848,377	14,361,291	23,209,668
ACT	30,247,375	431,484*	15,484,741	25,030,432	40,515,173
Total	1,804,876,126	25,689,702*	921,930,725	1,490,740,716	2,412,671,441

Note: * Based on statistics provided by the Australian Statistician on 18 June 2020

Table 9 Local road entitlements in 2021–22

Local road	2020–21 final entitlement (in \$)	Multiplied by 2021–22 estimated factor	Equals 2021–22 estimated entitlement (in \$)	Then add 2020–21 adjustment & bring forward (in \$)	Equals 2021–22 cash payment (in \$)
NSW	232,359,447	0.5108	118,689,206	191,917,708	310,606,914
VIC	165,111,800	0.5108	84,339,107	136,374,390	220,713,497
QLD	150,054,941	0.5108	76,648,064	123,938,151	200,586,215
WA	122,455,218	0.5108	62,550,125	101,142,110	163,692,235
SA	44,013,597	0.5108	22,482,145	36,353,111	58,835,256
TAS	42,440,801	0.5108	21,678,761	35,054,057	56,732,818
NT	18,760,393	0.5108	9,582,809	15,495,180	25,077,989
ACT	25,680,458	0.5108	13,117,578	21,210,821	34,328,399
Total	800,876,655	N/A	409,087,795	661,485,528	1,070,573,323

Source: Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

Table 10 Final entitlements 2021–22

Totals	2020–21 final entitlement (in \$)	Multiplied by 2021–22 final factor	Equals 2021–22 final entitlement (in \$)	Then subtract 2021–22 estimated entitlement (in \$)	Equals 2021–22 adjustment (in \$)
General purpose	1,804,876,126	1.3548	2,445,246,176	921,930,725	1,523,315,452
Local road	800,876,655	1.3548	1,085,027,692	409,087,795	675,939,897
Total	2,605,752,781		3,530,273,868	1,331,018,520	2,152,226,244

Table 11 General purpose final entitlements in 2021–22

General purpose	2020–21 final entitlement (in \$)	31 December 2020 population*	Equals 2021–22 estimated entitlement (in \$)	Then add 2020–21 adjustment & bring forward (in \$)	Equals 2021–22 cash payment (in \$)
NSW	574,719,921	8,084,192	771,161,673	293,288,083	477,873,590
VIC	470,474,706	6,563,465	626,097,531	239,070,858	387,026,673
QLD	362,816,584	5,191,354	495,210,064	186,429,510	308,780,554
WA	186,869,613	2,731,729	260,583,211	95,827,395	164,755,816
SA	124,409,262	1,796,955	171,413,893	63,548,643	107,865,250
TAS	38,018,660	565,557	53,949,224	19,433,118	34,516,106
NT	17,320,005	249,163	23,767,985	8,848,377	14,919,608
ACT	30,247,375	451,431	43,062,595	15,484,741	27,577,855
Total	1,804,876,126	25,633,846	2,445,246,176	921,930,725	1,523,315,452

Note: * Based on statistics provided by the Australian Statistician on 18 June 2020

Table 12 Local road final entitlements in 2021–22

Local road	2020–21 final entitlement (in \$)	Multiplied by 2021–22 estimated factor	Equals 2021–22 estimated entitlement (in \$)	Then add 2020–21 adjustment & bring forward (in \$)	Equals 2021–22 cash payment (in \$)
NSW	232,359,447	1.3548	314,800,579	118,689,206	196,111,373
VIC	165,111,800	1.3548	223,693,467	84,339,107	139,354,360
QLD	150,054,941	1.3548	203,294,434	76,648,064	126,646,370
WA	122,455,218	1.3548	165,902,329	62,550,125	103,352,204
SA	44,013,597	1.3548	59,629,621	22,482,145	37,147,476
TAS	42,440,801	1.3548	57,498,797	21,678,761	35,820,036
NT	18,760,393	1.3548	25,416,580	9,582,809	15,833,771
ACT	25,680,458	1.3548	34,791,885	13,117,578	21,674,307
Total	800,876,655		1,085,027,692	409,087,795	675,939,897

Source: Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

Variations in reported grants

At the beginning of each financial year, the quantum of the grant to local government is estimated using the estimated factor, which is based on forecasts of the Consumer Price Index and population changes for the year.

At the end of each financial year, the actual or final grant for local government is calculated using the final factor, which is based on updated Consumer Price Index and population figures.

Invariably there is a difference between the estimated and actual grant entitlements. This difference is combined with the estimated entitlement in the following financial year to provide the cash payment for the next year.

Figures provided in Appendix D and Appendix E reflect the requirement under the Act to provide a comparison of councils at the national level. To do this, final allocations are calculated on a per capita (general purpose) and per kilometre (local road) basis. This may differ from the comparison calculations used by Local Government Grants Commissions in each jurisdiction.

Consequently, there are numerous ways in which funding provided under the Financial Assistance Grant program can be reported.

Inter-jurisdictional distribution of grant

The Act specifies that the general-purpose component is to be divided among the jurisdictions on a per capita basis. The distribution is based on the Australian Bureau of Statistics' estimate of each jurisdiction's population and the estimated population of all states and territories as at 31 December of the previous year.

In contrast, each jurisdiction's share of the local road component is fixed. The distribution is based on shares determined from the former tied grant arrangements (refer to '*History of the interstate distribution of local road grants*' in the *2001–02 Local Government National Report*). Therefore, the local road share for each state and territory is determined by multiplying the previous year's funding by the estimated factor as determined by the Treasurer.

The 2021–22 allocations of general purpose and local road grants among jurisdictions are provided in Table 13 while Table 14 provides a comparison to the 2020–21 allocations.

Table 13 2021–22 final entitlement allocations of general purpose (GP) and local road (LR) grants among jurisdictions

State	GP final entitlement \$	GP bring forward paid in April 2022 \$	Total GP final and bring forward \$	% of total GP pool	31 Dec 2020 population* (Number)	\$ per capita entitlement \$	LR final entitlement \$	LR bring forward paid in April 2022 \$	Total LR final and bring forward \$	% of LR pool	Kilo-metres km	% of LR length	\$ per km entitlement \$	Total final entitlement \$
NSW	306,383,125	464,778,548	771,161,673	31.5%	8,084,192	95.39	126,356,104	188,444,475	314,800,579	29.0%	147,113	22.4%	2,139.86	1,085,962,252
Vic	248,327,344	377,770,187	626,097,531	25.6%	6,563,465	95.39	89,787,113	133,906,354	223,693,467	20.6%	127,245	19.4%	1,757.97	849,790,998
Qld	197,277,467	297,932,597	495,210,064	20.3%	5,191,354	95.39	81,599,255	121,695,179	203,294,434	18.7%	150,407	22.9%	1,351.63	698,504,498
WA	107,732,612	152,850,599	260,583,211	10.7%	2,731,729	95.39	66,590,639	99,311,690	165,902,329	15.3%	126,993	19.3%	1,306.39	426,485,540
SA	70,451,449	100,962,444	171,413,893	7.0%	1,796,955	95.39	23,934,412	35,695,209	59,629,621	5.5%	77,987	11.9%	764.61	231,043,514
Tas.	23,104,860	30,844,364	53,949,224	2.2%	565,557	95.39	23,079,131	34,419,666	57,498,797	5.3%	14,208	2.2%	4,046.93	111,448,021
NT	9,728,304	14,039,681	23,767,985	1.0%	249,163	95.39	10,201,823	15,214,757	25,416,580	2.3%	13,417	2.0%	1,894.36	49,184,565
ACT	18,478,995	24,583,600	43,062,595	1.8%	451,431	95.39	13,964,927	20,826,958	34,791,885	3.2%	-	-	-	77,854,480
Total	981,484,156	1,463,762,020	2,445,246,176	100.0%	25,633,846	95.39	435,513,404	649,514,288	1,085,027,692	100.0%	657,370	100.0%	1,650.56	3,530,273,868

Note: * Excludes other territories comprising Jervis Bay Territory, Christmas Island and the Cocos (Keeling) Islands.
Source: Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

Table 14 2021–22 final entitlement and percentage change from 2020–21

State	2021–22 final entitlement \$	2020–21 final entitlement \$	% change from 2020–21 final entitlement*	2021–22 LR final entitlement \$	2020–21 LR final entitlement \$	% change from 2020–21 final entitlement*	2021–22 final entitlement \$	2020–21 final entitlement \$	% change from 2020–21 final entitlement
NSW	771,161,673	574,719,921	34.2%	232,359,447	232,359,447	35.5%	1,085,962,252	807,079,368	34.6%
Vic	626,097,531	470,474,706	33.1%	165,111,800	165,111,800	35.5%	849,790,998	635,586,506	33.7%
Qld	495,210,064	362,816,584	36.5%	150,054,941	150,054,941	35.5%	698,504,498	512,871,525	36.2%
WA	260,583,211	186,869,613	39.4%	122,455,218	122,455,218	35.5%	426,485,540	309,324,831	37.9%
SA	171,413,893	124,409,262	37.8%	44,013,597	44,013,597	35.5%	231,043,514	168,422,859	37.2%
Tas	53,949,224	38,018,660	41.9%	42,440,801	42,440,801	35.5%	111,448,021	80,459,461	38.5%
NT	23,767,985	17,320,005	37.2%	18,760,393	18,760,393	35.5%	49,184,565	36,080,398	36.3%
ACT	43,062,595	30,247,375	42.4%	34,791,885	25,680,458	35.5%	77,854,480	55,927,833	39.2%
Total	2,445,246,176	1,804,876,126	35.5%	800,876,655	800,876,655	35.5%	3,530,273,868	2,605,752,781	35.5%

Source: Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

National Principles for the allocation of grants under the Act

As outlined in section 6 of the Act, the Federal Minister is required to formulate National Principles in consultation with state and territory ministers for local government and a body or bodies representative of local government. The National Principles guide the states and the Northern Territory in allocating funding from the Financial Assistance Grant program to local governing bodies within their jurisdiction.

The National Principles are set out in full in Appendix A.

Determining the distribution of grants within jurisdictions

Under sections 11 and 14 of the Act, funding under the Financial Assistance Grant program can only be paid to jurisdictions (other than the Australian Capital Territory) that have established a Local Government Grants Commission. The Australian Capital Territory does not have a Local Government Grants Commission because its government provides local government services.

The Local Government Grants Commissions make recommendations, in accordance with the National Principles, on the quantum of the funding to be allocated to local governing bodies under the Financial Assistance Grant program. The state and Northern Territory governments determine the membership of, and provide resources for, their respective Local Government Grants Commissions. Further detail on the Local Government Grants Commissions is provided in Figure 3.

Once each Local Government Grants Commission has calculated the recommended allocations to local governing bodies in its jurisdiction under the Financial Assistance Grant program, the relevant state or Northern Territory minister recommends the allocations to the Federal Minister for approval. The Act requires that the Federal Minister be satisfied that the states and the Northern Territory have adopted the recommendations of their Local Government Grants Commission.

As a condition for paying funding under the Financial Assistance Grant program, Section 15 of the Act requires that the states and the Northern Territory must provide the funding to local government without undue delay and without conditions, giving local government discretion to use the funds for local priorities.

Further, the Act requires the state and Northern Territory treasurers to give the Federal Minister, as soon as practicable after 30 June each year, a statement detailing payments made to local government during the previous financial year, including the date the payments were made, as well as a certificate from their respective Auditor-General certifying that the statement is correct.

Funding under the Financial Assistance Grant program is paid in equal quarterly instalments. The first payment for each financial year is paid as soon as statutory conditions are met. One of the requirements of the Act is that the first payment cannot be made before 15 August.

Figure 3 Local Government Grants Commissions

Section 5 of the *Local Government (Financial Assistance) Act 1995 (Cth)* (the Act) specifies the criteria a body must satisfy to be recognised as a Local Government Grants Commission. These criteria are:

- the body is established by a law of a state or the Northern Territory;
- the principal function of the body is to make recommendations to the state or territory government about provision of financial assistance to local governing bodies in the state or territory; and
- the Federal Minister is satisfied that the body includes at least 2 people who are or have been associated with local government in the state or territory, whether as members of a local governing body or otherwise.

Section 11 of the Act requires Local Government Grants Commissions to: hold public hearings in connection with their recommended grant allocations; permit or require local governing bodies to make submissions to their commission in relation to the recommendations; and make their recommendations in accordance with the National Principles.

The legislation establishing Local Government Grants Commissions in each state and the Northern Territory is:

New South Wales	<i>Local Government Act 1993 (NSW)</i>
Victoria	<i>Victorian Local Government Grants Commission Act 1976 (Vic)</i>
Queensland	<i>Local Government Act 2009 (Qld)</i>
Western Australia	<i>Local Government Grants Act 1978 (WA)</i>
South Australia	<i>South Australian Local Government Grants Commission Act 1992 (SA)</i>
Tasmania	<i>State Grants Commission Act 1976 (Tas)</i>
Northern Territory	<i>Local Government Grants Commission Act 1986 (NT).</i>

Bodies eligible to receive funding under the Financial Assistance Grant program

All local governing bodies constituted under state or territory legislation are automatically local governing bodies. In addition, section 4(2) of the Act defines a local governing body to include:

a body declared by the [Federal] Minister, on the advice of the relevant State Minister, by notice published in the Gazette, to be a local governing body for the purposes of this Act.

In addition to the Australian Capital Territory, 545 local governing bodies, including 10 declared local governing bodies made eligible under section 4(2), received funding under the Financial Assistance Grant program in 2021–22 (refer to Table 15).

Table 15 Distribution of local governing bodies, by type and jurisdiction

Type	NSW ^c	Vic	Qld	WA	SA ^d	Tas	NT ^e	Total
Local governments ^a	128	79	77	137	68	29	17	535
Declared local governing bodies ^b	3	-	-	-	6	-	1	10
Total	131	79	77	137	74	29	18	545

Notes:

- These are local governing bodies eligible under paragraph 4(2)(a) of the *Local Government (Financial Assistance) Act 1995 (Cth)*.
- These are declared local governing bodies under paragraph 4(2)(b) of the *Local Government (Financial Assistance) Act 1995 (Cth)*.
- Includes Lord Howe Island, Silverton and Tibooburra.
- Includes the Outback Communities Authority.
- Includes the Northern Territory Roads Trust Account.

Source: Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

Methodologies of Local Government Grants Commissions

Local Government Grants Commissions each have their own methodology for allocating funds to local government in their jurisdiction.

When allocating the general purpose component, Local Government Grants Commissions assess the amount each local government would need to be able to provide a standard range and quality of services while raising revenue from a standard range of rates and other income sources. The Local Government Grants Commissions then develop recommendations that consider each local governing body's assessed need. The recommended allocation of the local road component is based on the Local Government Grants Commissions' assessment of the local governing bodies' road expenditure needs. Local Government Grants Commissions are required to make their recommendations in line with the National Principles (refer to Appendix A).

A detailed description of each Local Government Grants Commission's methods can be found in Appendices B and C and at the internet addresses in Figure 4.

Figure 4 Internet addresses for Local Government Grants Commissions

New South Wales

<https://www.olg.nsw.gov.au/commissions-and-tribunals/grant-commission>

Victoria

<https://www.localgovernment.vic.gov.au/council-funding-and-grant/victoria-grant-commission>

Queensland

<https://www.statedevelopment.qld.gov.au/local-government/governance/queensland-local-government-grant-commission>

Western Australia

<https://www.dlgsc.wa.gov.au/local-government/local-governments/boards-and-commissions>

South Australia

<https://www.agd.sa.gov.au/local-government/grant-commission>

Tasmania

<http://www.treasury.tas.gov.au/state-grant-commission>

Northern Territory

<http://www.grantscommission.nt.gov.au/>

Allocations to local government in 2021–22

The Federal Minister agreed to the allocations of funding under the Financial Assistance Grant program to local governing bodies for 2021–22, as recommended by Local Government Grants Commissions through state and Northern Territory ministers. Appendix D contains the final entitlements for 2021–22.

Table 16 provides the average general purpose allocation per capita, provided to local governing bodies, by jurisdiction and by their classification within the Australian Classification of Local Governments. The average local road component per kilometre, provided to local governing bodies, by jurisdiction and by classification within the Australian Classification of Local Governments, is outlined in Table 17.

The results in these tables suggest there are some differences in outcomes between jurisdictions. Notwithstanding the capacity of the Australian Classification of Local Governments classification system to group similar local governing bodies, it should be noted that considerable scope for divergence within these categories remains. This divergence can occur because of a range of factors including isolation, population distribution, local economic performance, population changes, age of population and geographic differences.

Table 16 Average general purpose component per capita to councils 2021–22 by jurisdiction

Classification	NSW	Vic	Qld	WA	SA	Tas	NT	Average
Urban Capital City (UCC)	21.96	21.85	22.21	22.87	22.66	23.56	23.25	22.62
Urban Developed Small (UDS)	22.44	n/a	n/a	21.24	21.22	n/a	n/a	21.33
Urban Developed Medium (UDM)	21.54	n/a	n/a	21.24	21.22	n/a	n/a	21.32
Urban Developed Large (UDL)	21.33	23.86	n/a	21.28	21.22	n/a	n/a	22.34
Urban Developed Very Large (UDV)	24.95	32.24	n/a	21.28	34.50	n/a	n/a	28.41
Urban Regional Small (URS)	173.97	217.58	198.25	58.89	158.69	71.04	37.31	153.68
Urban Regional Medium (URM)	107.15	159.88	124.58	48.28	21.22	21.26	21.92	110.97
Urban Regional Large (URL)	82.52	117.14	53.70	n/a	n/a	n/a	n/a	81.76
Urban Regional Very Large (URV)	69.84	74.56	24.07	n/a	n/a	n/a	n/a	38.51
Urban Fringe Small (UFS)	n/a	158.39	81.23	48.82	44.69	84.86	21.92	77.25
Urban Fringe Medium (UFM)	43.65	88.15	60.70	23.84	21.22	21.26	n/a	43.57
Urban Fringe Large (UFL)	60.66	85.83	n/a	21.22	105.94	n/a	n/a	66.86
Urban Fringe Very Large (UFV)	39.17	61.05	n/a	21.22	32.55	n/a	n/a	43.89
Rural Significant Growth (RSG)	n/a	n/a	n/a	21.61	34.44	n/a	n/a	28.03
Rural Agricultural Small (RAS)	1,987.62	n/a	n/a	1,312.35	764.98	625.23	n/a	1,215.91
Rural Agricultural Medium (RAM)	899.99	980.48	969.74	274.73	407.50	262.31	n/a	551.84
Rural Agricultural Large (RAL)	470.82	548.18	n/a	257.37	257.16	214.27	n/a	377.20
Rural Agricultural Very Large (RAV)	283.78	267.81	427.24	132.42	179.56	105.03	n/a	256.01
Rural Remote Extra Small (RTX)	634.54	n/a	9,401.67	12,758.27	704.03	n/a	137.22	6,723.00
Rural Remote Small (RTS)	n/a	n/a	3,910.28	2,462.83	n/a	n/a	21.92	3,115.59
Rural Remote Medium (RTM)	2,411.70	n/a	1,764.26	1,290.05	510.43	n/a	82.67	1,460.48
Rural Remote Large (RTL)	944.59	n/a	1,427.13	329.20	n/a	n/a	233.72	674.60
Total \$ per person	72.34	72.89	71.66	69.97	70.56	68.58	70.65	71.80

Note: n/a = not applicable.

Source: Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

Table 17 Average local road component per kilometre to councils 2021–22 by jurisdiction

Classification	NSW	Vic	Qld	WA	SA	Tas	NT	Average
Urban Capital City (UCC)	4,876.90	3,094.93	2,995.97	4,483.29	7,055.06	5,505.88	3,625.06	4,519.59
Urban Developed Small (UDS)	2,690.71	n/a	n/a	2,322.99	4,637.73	n/a	n/a	2,707.39
Urban Developed Medium (UDM)	3,300.68	n/a	n/a	2,378.96	2,878.08	n/a	n/a	2,855.57
Urban Developed Large (UDL)	3,555.23	1,789.19	n/a	2,223.87	2,193.04	n/a	n/a	2,352.70
Urban Developed Very Large (UDV)	3,101.89	1,758.39	n/a	2,244.08	2,458.65	n/a	n/a	2,395.65
Urban Regional Small (URS)	1,715.52	1,323.16	759.00	1,675.52	1,314.12	3,754.74	3,852.75	1,724.56
Urban Regional Medium (URM)	1,890.10	1,433.30	880.55	1,747.49	848.49	4,054.98	3,215.35	1,631.79
Urban Regional Large (URL)	2,333.02	1,524.49	1,054.24	n/a	n/a	n/a	803.31	1,428.76
Urban Regional Very Large (URV)	2,464.13	1,599.04	1,922.59	n/a	n/a	n/a	n/a	2,022.67
Urban Fringe Small (UFS)	n/a	1,285.24	779.26	1,475.25	926.82	3,168.59	3,697.34	1,764.00
Urban Fringe Medium (UFM)	1,957.09	1,548.69	897.16	1,989.57	748.22	3,752.96	n/a	2,021.33
Urban Fringe Large (UFL)	2,144.71	1,750.20	n/a	1,996.10	1,713.67	n/a	n/a	1,949.88
Urban Fringe Very Large (UFV)	2,474.11	1,824.18	n/a	2,008.68	1,750.27	n/a	n/a	2,072.79
Rural Significant Growth (RSG)	n/a	n/a	n/a	1,642.32	880.56	n/a	n/a	1,261.44
Rural Agricultural Small (RAS)	1,078.84	n/a	n/a	676.40	264.28	2,356.90	n/a	670.81
Rural Agricultural Medium (RAM)	1,110.66	879.27	643.67	922.33	273.69	2,933.92	n/a	1,016.86
Rural Agricultural Large (RAL)	1,203.83	944.42	n/a	1,391.87	632.17	2,780.22	n/a	1,276.99
Rural Agricultural Very Large (RAV)	1,332.78	1,160.25	726.19	1,515.29	453.88	2,738.19	n/a	1,280.36
Rural Remote Extra Small (RTX)	n/a	n/a	663.67	577.75	744.58	n/a	406.38	620.39
Rural Remote Small (RTS)	n/a	n/a	641.18	653.19	n/a	n/a	3,363.65	839.93
Rural Remote Medium (RTM)	1,046.67	n/a	762.13	843.59	51.94	n/a	1,940.23	859.54
Rural Remote Large (RTL)	1,071.83	n/a	701.23	1,152.81	n/a	n/a	1,133.42	998.86
Total \$ per kilometre	1,575.34	1,294.20	995.05	961.75	562.90	2,979.22	1,394.60	1,215.12

Note: n/a = not applicable.

Source: Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

Local governing bodies on the minimum grant

Local governing bodies that receive the minimum grant entitlement generally fall within the capital city, urban developed or urban fringe classifications, as described in the Australian Classification of Local Government. Local governing bodies on the minimum grant are identified with a 'Yes' in Appendix D. Table 18 provides details on local governing bodies on the minimum grant by jurisdiction, from 2012–13 to 2021–22. The per capita grant to minimum grant councils in 2021–22 was between \$21.85 and \$23.56.

The proportion of the population covered by local governing bodies on the minimum grant varies between jurisdictions. In 2021–22, the proportion ranged from 29.9 per cent in New South Wales to 75.6 per cent in Western Australia. This generally reflects the degree of concentration of a jurisdiction's population in their capital city. Variations can also arise because of a local government's geographic structuring and differences in the methods used by Local Government Grants Commissions.

In 2021–22, the proportion of the general purpose grant that went to local governing bodies on the minimum grant was 14.2 per cent nationally. It varied from 9.0 per cent in New South Wales to 22.7 per cent in Western Australia.

Local Government Grants Commissions determine the level of assistance that each local governing body requires to function, by reasonable effort, at a standard not lower than the average standard of other local governing bodies in the jurisdiction. In doing this, they consider the revenue-raising ability and expenditure requirements of each local governing body in the jurisdiction. Where a local governing body is on the minimum grant, its Local Government Grants Commission has determined that it requires less assistance to function, by reasonable effort, at a standard not lower than the average standard of other local governing bodies in the jurisdiction.

Over the past decade, the percentage of the population in minimum grant councils increased from 42.4 per cent in 2012–13 to 47.2 per cent in 2021–22. This results in an increase in the per capita grant to non-minimum grant local governments relative to that of minimum grant local governments. This trend is consistent with the National Principle for horizontal equalisation (refer to Appendix A).

Table 18 Councils on the minimum grant, by jurisdiction, 2012–13 to 2021–22

Juris- diction	Minimum Grant Criteria	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21	2021–22
NSW	\$ general purpose	489,045,833	508,608,083	508,237,232	506,290,484	496,242,780	524,987,494	540,182,065	560,313,297	574,864,141	597,919,978
NSW	\$ to minimum grant councils	38,999,527	41,044,913	42,527,921	47,455,907	38,241,165	46,060,914	50,918,751	51,145,637	52,714,034	53,567,444
NSW	% to minimum grant councils	8.0	8.1	8.4	9.4	7.7	8.8	9.4	9.1	9.2	9.0
NSW	Population per jurisdiction	7,301,607	7,289,779	7,409,856	7,508,849	7,664,575	7,726,426	7,860,546	7,987,727	8,089,357	8,167,137
NSW	Population for minimum grant councils	1,940,916	1,960,961	2,066,788	2,343,212	1,915,270	2,259,648	2,469,834	2,430,406	2,472,596	2,438,973
NSW	% of population in minimum grant councils	26.6	26.9	27.9	31.2	25.0	29.0	31.4	30.4	30.6	29.9
NSW	Minimum grant councils/No. LGBs	23/155	23/155	24/155	26/155	18/131	20/131	19/131	17/131	18/131	16/131
Vic	\$ general purpose	375,393,290	393,135,181	393,289,960	394,880,592	405,256,954	415,741,109	434,192,830	453,351,692	469,590,926	487,686,273
Vic	\$ to minimum grant councils	28,328,702	33,555,381	33,587,740	33,799,568	34,701,187	35,498,178	38,231,258	48,123,311	50,083,727	51,772,998
Vic	% to minimum grant councils	7.6	8.5	8.5	8.6	8.6	8.5	8.8	10.6	10.7	10.6
Vic	Population per jurisdiction	5,621,116	5,632,519	5,739,228	5,841,632	5,937,462	6,069,627	6,323,598	6,460,628	6,595,983	6,696,612
Vic	Population for minimum grant councils	1,413,974	1,600,743	1,633,808	1,664,977	1,694,716	1,727,523	1,856,004	2,285,987	2,344,959	2,369,718
Vic	% of population in minimum grant councils	25.2	28.4	28.5	28.5	28.5	28.5	29.4	35.4	35.6	35.4
Vic	Minimum grant councils/No. LGBs	12/79	13/79	13/79	13/79	13/79	13/79	13/79	16/79	16/79	16/79
QLD	\$ general purpose	304,750,796	319,028,016	319,083,531	318,749,890	317,752,529	328,799,275	338,163,013	351,558,988	360,862,742	382,843,997
QLD	\$ to minimum grant councils	62,254,683	65,533,567	65,766,311	65,795,193	69,679,193	72,398,267	75,235,151	78,568,609	80,939,055	86,128,844
QLD	% to minimum grant councils	20.4	20.5	20.6	20.6	21.9	22.0	22.2	22.3	22.4	22.5
QLD	Population per jurisdiction	4,576,882	4,556,416	4,653,008	4,718,591	4,774,888	4,839,261	4,924,324	5,006,976	5,090,177	5,171,741
QLD	Population for minimum grant councils	3,116,561	3,138,148	3,196,772	3,246,648	3,490,246	3,551,854	3,651,910	3,729,968	3,805,640	3,878,308
QLD	% of population in minimum grant councils	68.1	68.9	68.7	68.8	73.1	73.4	74.2	74.5	74.8	75.0
QLD	Minimum grant councils/No. LGBs	8/73	8/77	9/77	9/77	10/77	10/77	10/77	10/77	10/77	10/77
WA	\$ general purpose	157,781,551	171,319,297	172,194,345	173,592,719	165,885,062	176,085,070	176,932,279	182,242,603	185,450,564	203,050,148
WA	\$ to minimum grant councils	35,432,688	38,760,735	39,026,105	38,981,399	35,870,819	4,128,1872	42,043,137	41,528,520	43,235,533	46,029,933
WA	% to minimum grant councils	22.5	22.6	22.7	22.5	21.6	23.4	23.8	22.8	23.3	22.7
WA	Population per jurisdiction	2,349,325	2,430,252	2,519,321	2,577,840	2,590,259	2,617,074	2,580,354	2,595,192	2,621,509	2,663,561
WA	Population for minimum grant councils	1,758,611	1,832,803	1,903,262	1,920,784	1,871,379	2,047,990	2,043,836	1,971,264	2,036,750	2,012,697
WA	% of population in minimum grant councils	74.9	75.4	75.5	74.5	72.2	78.3	79.2	76.0	77.7	75.6
WA	Minimum grant councils/No. LGBs	30/138	31/138	31/138	31/138	29/137	31/137	32/137	31/137	30/137	30/137

Juris- diction	Minimum Grant Criteria	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
SA	\$ general purpose	110,938,451	115,072,530	114,528,245	113,431,086	112,980,736	115,773,190	118,284,887	121,948,136	123,908,060	133,702,618
SA	\$ to minimum grant councils	17,938,909	18,042,090	17,154,972	16,990,531	17,610,038	17,798,588	18,040,646	18,290,129	19,380,213	20,104,960
SA	% to minimum grant councils	16.2	15.7	15.0	15.0	15.6	15.4	15.3	15.0	15.6	15.0
SA	Population per jurisdiction	1,656,299	1,654,778	1,670,827	1,685,714	1,685,714	1,708,135	1,723,548	1,736,422	1,751,963	1,770,375
SA	Population for minimum grant councils	892,807	864,995	834,042	841,721	874,193	875,484	876,093	868,139	913,389	887,249
SA	% of population in minimum grant councils	53.9	52.3	49.9	49.9	51.9	51.3	50.8	50.0	52.1	50.1
SA	Minimum grant councils/No. LGBs	20/74	18/74	17/74	17/74	17/74	17/74	17/74	16/74	17/74	16/74
TAS	\$ general purpose	34,471,522	35,487,132	35,201,332	34,554,111	34,214,228	34,954,441	35,800,944	37,121,818	37,876,570	42,454,990
TAS	\$ to minimum grant councils	3,714,379	5,219,534	5,182,417	5,091,852	5,049,338	5,168,245	5,327,655	5,554,515	5,671,142	5,214,903
TAS	% to minimum grant councils	10.8	14.7	14.7	14.7	14.8	14.8	14.9	15.0	15.0	12.3
TAS	Population per jurisdiction	510,519	512,019	513,159	514,762	516,586	519,063	520,877	528,201	534,457	540,536
TAS	Population for minimum grant councils	183,365	251,030	251,828	252,849	254,126	255,823	258,378	263,448	266,742	221,309
TAS	% of population in minimum grant councils	35.9	49.0	49.1	49.1	49.2	49.3	49.6	49.9	49.9	40.9
TAS	Minimum grant councils/No. LGBs	4/29	5/29	5/29	5/29	5/29	5/29	5/29	5/29	5/29	4/29
NT	\$ general purpose	15,518,239	16,449,092	16,573,314	15,930,250	16,170,566	16,560,517	16,925,686	17,283,550	17,343,582	18,483,871
NT	\$ to minimum grant councils	2,714,718	2,889,253	2,938,751	2,939,595	2,918,549	3,005,630	3,142,263	3,229,753	3,241,234	2,530,799
NT	% to minimum grant councils	17.5	17.6	17.7	18.5	18.0	18.1	18.6	18.7	18.7	13.7
NT	Population per jurisdiction	223,443	227,963	233,399	231,833	237,252	238,271	239,151	238,475	237,385	238,455
NT	Population for minimum grant councils	130,295	133,471	137,953	140,441	142,735	144,149	147,995	148,545	147,878	108,018
NT	% of population in minimum grant councils	58.3	58.6	59.1	60.6	60.2	60.5	61.9	62.3	62.3	45.3
NT	Minimum grant councils/No. LGBs	5/16	5/16	5/18	5/18	5/18	5/18	4/18	4/18	5/18	3/18
Australia	\$ general purpose	1,487,899,682	1,559,099,331	1,559,107,959	1,557,429,132	1,548,502,855	1,612,901,096	1,688,712,055	1,723,820,084	1,769,896,585	1,866,141,875
Australia	\$ to minimum grant councils	189,383,606	205,045,473	206,184,217	211,054,045	204,070,289	221,211,694	232,938,861	246,440,474	255,264,938	265,349,881
Australia	% to minimum grant councils	12.7	12.7	13.2	13.6	13.2	13.7	13.8	14.3	14.4	14.2
Australia	Population per jurisdiction	22,239,191	22,303,726	22,738,798	23,079,221	23,406,736	23,717,857	24,588,635	24,553,621	24,920,831	25,248,417
Australia	Population for minimum grant councils	9,436,529	9,782,151	10,024,453	10,410,632	10,242,665	10,862,471	11,304,050	11,697,757	11,987,954	11,916,272
Australia	% of population in minimum grant councils	42.4	43.1	44.1	45.1	43.8	45.8	46.0	47.6	48.1	47.2
Australia	Minimum grant councils/No. LGBs	102/564	97/568	104/570	106/570	97/545	97/545	100/545	99/545	101/545	95/545

Notes: The Northern Territory Road trust is not included as it does not receive an allocation under the general purpose component.

LGBs = local governing bodies.

Source: Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

Comparing councils

Local Government Grants Commissions in each state and the Northern Territory use different methodologies to allocate funding to each local governing body in their jurisdiction to best meet their unique circumstances while adhering to the requirements of the National Principles and the Act.

Comparing a council's grant allocation, both within and across jurisdictions, with other councils of similar size is problematic due to the considerable divergence in methodologies used by each Local Government Grants Commission.

Local Government Grants Commissions implicitly determine a ranking for each council in their jurisdiction on the basis of relative need when they allocate the general purpose grant and the local road grant to councils. An analysis of the grant per capita for the general purpose component can be used to compare relative need (Appendix E). Appendix E also shows the local road grant, where allocations for each council are divided by their length of local roads to obtain a relative expenditure needs measure.

Councils are ranked from the greatest assessed relative need to the least assessed relative need. For each state and the Northern Territory, the positions and values of the average general purpose grant per capita and the average local road grant per kilometre are also shown at the top of the ranking of councils.

Impact of Local Government Grants Commission capping policies

Year-to-year variations in the data that Local Government Grants Commissions use to determine their allocations to local governments can lead to significant fluctuations in the funding provided to individual local governing bodies. Changes in Local Government Grants Commission methodologies to improve allocations, most likely to achieve horizontal equalisation, can also lead to fluctuations. As unexpected changes in annual funding allocations can impede efficient planning by local governments, Local Government Grants Commissions have adopted policies to ensure that changes are not unacceptably large from one year to the next.

Many Local Government Grants Commissions average the data of several years to reduce fluctuations. Nevertheless, policies to limit changes, by capping increases or decreases in grant, may be used to limit year-to-year variations.

The minimum grant principle does not operate to cap or limit increases in a council's general purpose allocation to an amount above the legislated minimum amount for the current year.

A Local Government Grants Commission can determine that a council receive an increase or a decrease in funding beyond the caps implemented to address exceptional circumstances.

Reviews of Local Government Grants Commission methodologies

While the 2001 Commonwealth Grants Commission review of the operations of the Act did not result in any changes to the Act, it did reinforce the need for regular review of the methodologies used by Local Government Grants Commissions to achieve consistency with the principles of relative need, other grant support and Aboriginal and Torres Strait Islander peoples (Commonwealth Grants Commission 2001).

Local Government Grants Commissions monitor outcomes and refine aspects of their allocation methodologies to be in line with the National Principle requirements of the Act. From time to time Local Government Grants Commissions undertake reviews of their methodologies.

Since the Act commenced in July 1995, all Local Government Grants Commissions have undertaken major reviews of their methodologies (refer to Table 19).

Table 19 Status of most recent major methodology reviews by state, as at 30 June 2022

State	General purpose grant	Local road grant
NSW	Most recent major review conducted between 2014–2018. No major changes to the methodology were implemented in 2021–22.	No major changes to the methodology were implemented in 2021–22.
Vic	Most recent major review conducted in 2016–17. No significant alterations to the methodology were implemented in 2021–22.	Most recent major review was conducted in 2012–13. No significant alterations to the methodology were made in 2021–22.
Qld	Most recent major review was undertaken in 2021 with implementation to begin in 2022–23. No major changes to the methodology were implemented in 2021–22.	Most recent major review was undertaken in 2021 with implementation to begin in 2022–23. No major changes to the methodology were implemented in 2021–22.
WA	Most recent major review was implemented in 2012–13. No major refinements to the methodology were implemented in 2021–22. However, there were a number of smaller changes made to update indicator data and formulas in some cost adjustors.	Most recent major review was implemented in 2012–13. No major refinements to the methodology were implemented in 2021–22.
SA	Most recent major review was completed in June 2013. No major changes to the methodology were implemented in 2021–22. The Commission resolved to remove the allowance provided for non-resident use.	Most recent major review was completed in June 2013. No major changes to the methodology were implemented in 2021–22.
Tas	Most recent major review commenced in 2021 and is ongoing. No major changes to the methodology were implemented in 2021–22. For the 2021–22 base grant recommendations, the Commission changed its method of measuring the impact of non-residents on council services and activities. This involved replacing the Regional Responsibility Cost Adjustor with a Service Industry Employment (SIE) Cost Adjustor.	Most recent major review commenced in 2021 and is ongoing. No major changes to the methodology were implemented in 2021–22.
NT	Most recent major review was completed in 2012–13. No major changes to the methodology were implemented in 2021–22.	Most recent major review was conducted in 2012–13. No major changes to the methodology were implemented in 2021–22.

Source: Submissions provided by jurisdictions to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts.



Local government efficiency and performance

Under section 16 of the *Local Government (Financial Assistance) Act 1995 (Cth)* (the Act), an annual report must be presented to the Commonwealth Parliament on the operations of the Act. The report must include an assessment of the performance of local governments, including their efficiency, based on comparable national data.

Previous Local Government National Reports have identified the difficulty of basing an assessment on comparable national data, due in large part to the different arrangements each jurisdiction has to collect and report on local government performance.

Each year jurisdictions are asked to report on measures undertaken to improve local government efficiency and performance. Further details on the summary of measures provided can be found in Appendix B.

Developments in long-term financial and asset management plans

Jurisdictions were asked to report on developments in the use of long-term financial and asset management plans by local government during 2021–22. A summary of the progress for each jurisdiction follows.

Local councils in **New South Wales** report under an Integrated Planning and Reporting (IP&R) framework that drives their strategic planning, including long-term financial and asset management planning. The main components of the IP&R framework are: a community strategic plan with a 10-year-plus timeframe; a resourcing strategy; a delivery program; an operational plan; and an annual report. In September 2021, the Office of Local Government (OLG) released updated IP&R guidance material for councils, including a Guideline and a Handbook setting out the IP&R framework in detail.

In **Victoria**, the *Local Government Act 2020* introduced legislative requirements for all Victorian councils to develop and adopt a 10-year Financial Plan and a 10-year Asset Plan. Both plans must be subject to community engagement, including deliberative engagement practices.

In **Queensland**, all local governments are required to have long-term financial forecasts and to prepare and adopt long-term asset management plans. In October 2016, the Auditor-General of Queensland tabled a report, on forecasting long-term sustainability of local government, containing recommendations for improvement. Individual local governments in Queensland continue to implement those recommendations where appropriate.

In August 2022, the **Local Government Association of Queensland (LGAQ)** made a total of 15 recommendations in relation to the Queensland Government's review into the updated, draft Financial Management (Sustainability) Guideline. These included the introduction of

a wholistic definition of council sustainability, that clearly defines the basic service levels required to reflect a livable community, and recognition of the impact that the quantum variability in local government funding from the State and Federal Governments has.

In **Western Australia**, local governments are required to have developed and adopted 2 key documents being a Strategic Community Plan and a Corporate Business Plan. These were supported and informed by resourcing and delivery strategies, including an Asset Management Plan, a Long-Term Financial Plan and a Workforce Plan. These form part of the Integrated Planning and Reporting (IPR) Framework and the Advisory Standard, which sets out associated performance measures.

The Department of Local Government, Sport and Cultural Industries (DLGSC) continue to provide resources and monitor that Strategic Community Plans and Corporate Business Plans are being reviewed within prescribed required timeframes.

The **Western Australian Local Government Association** (WALGA) reported that model financial statements have been produced for Bands 1 and 2 local governments and a separate set of statements for Bands 3 and 4. The new financial statement reporting will be in place for reporting of the 2022–23 annual financial statements.

In the 2021–22, the Minister for Local Government in WA amended the Local Government (Financial Management) Regulations 1996 to remove the requirement for local governments to report on financial ratios in their annual financial statements. This will streamline the financial reporting requirements.

Each of the 68 councils in **South Australia** is required, by section 122 of the *Local Government Act 1999* (SA), to develop and adopt a long-term financial plan and an infrastructure and asset management plan, each covering a period of at least 10 years.

During 2021–22, the **Local Government Association of South Australia** (LGASA) made available the first 3 papers in a suite of information papers, aimed at enhancing asset management capacity and capability in the local government sector.

In **Tasmania**, the *Local Government Act 1993* requires all councils to prepare and maintain long-term financial management plans, financial management strategies, long-term strategic asset management plans, and asset management policies and strategies. The Tasmanian Office of Local Government continues to monitor councils' compliance with the requirements to maintain this set of financial and asset management documents.

In 2021–22, the **Local Government Association of Tasmania** (LGAT) continued to facilitate regular meetings of the statewide Tasmanian Asset Management Group. The Group focuses on collaborative, continual improvement work and professional development in the financial and asset management space.

LGAT continued to maintain an array of guidance material on long-term financial and asset management planning. The Strategic Asset Management Plan (SAMP) template was developed to support Tasmanian local government asset management. LGAT also provided training sessions in how to use the SAMP template and associated council case studies.

During 2021–22, councils in the **Northern Territory** adopted the new Local Government Regulations 2021 and Guidelines, issued under the new *Local Government Act 2019* which commenced on 1 July 2021. They were also consulted in the development of a number of financial reporting formats and requirements.

The new *Local Government Act 2019* (enacted 1 July 2021) requires councils to have long-term financial plans that must be of at least 4 years, with an aim to move to 10-year plans. The **Local Government Association of the Northern Territory** (LGANT) will be instituting Strategic Priority Working Groups that will ensure LGANT's strategic plan is kept 'live' and focus local government on what the core issues are.

In 2021–22, the **Australian Capital Territory** (ACT) government continued to support the Strategic Asset Management (SAM) program which provides financial assistance for agencies to establish SAM Plans for management of the Territory's assets. This program fosters better practice to increase the ACT's economic capacity, reduces future costs, and grows the city in a way that meets the changing needs of the ACT demographic and maintains current infrastructure.

The **Australian Local Government Association** (ALGA) reported that over the past decade, the states and territories have implemented programs to assist councils to focus on long-term financial and asset management practices. Successive National State of the Assets reports have highlighted the importance of continuous improvement in our systems to support our communities for the future – including helping councils invest in asset management training, technology and software enhancements, skills development, and information sharing.

Performance measures between local governing bodies

All local governments have a legal requirement to report on their performance under their jurisdiction's local government legislation. This may be in the form of annual reports, performance statements, financial statements and/or strategic planning reports.

While not all performance information is publicly available, some jurisdictions provide a comparative analysis of local governments within their jurisdiction. This information is collected either by the responsible agency or by the Local Government Grants Commissions.

For this Local Government National Report, state and territory governments and local government associations were asked to report on measures undertaken in 2021–22 to develop and implement comparative local government performance indicators. A summary of these reports for each jurisdiction follows.

In September 2019, the **New South Wales** Government launched the *Your Council* website which draws on data already collected by the Office of Local Government (OLG) from NSW councils and other agencies and presents it in an easy to understand and user-friendly way. The website provides comprehensive statistics on the operations of NSW councils allowing benchmarking against the average for like councils and comparative performance measures across disciplines and years.

The NSW Government is continuing work with the local government sector to refine the local government performance measurement framework to ensure the robustness of financial risk assessments of councils' performance whilst incorporating non-financial information into performance assessments.

In **Victoria**, the [Know Your Council](http://www.knowyourcouncil.vic.gov.au) website (www.knowyourcouncil.vic.gov.au), supported by Victoria's Local Government Performance Reporting Framework (LGPRF), requires all Victorian councils to annually collect and report their data against 58 performance indicators across 11 different service areas. On 6 December 2021, the 2020–21 data was released publicly with 5,200 users visiting the site in the first 72 hours. As well as comparing councils,

users can view trend data in addition to reading commentary from council explaining the context of their performance results.

The provision of information by the **Queensland** Government Comparative Information Report continued in 2021–22. This report is an effective tool to assist councils in developing new and more effective ways to deliver services.

In 2021–22, the **Local Government Association of Queensland** (LGAQ) developed a new service whereby councils can access a range of data and analytics. Councils are able to utilise the expertise of the data team at the LGAQ to provide bespoke assistance around data analysis, enterprise performance dashboards and optimisation of business processes.

Western Australia has an online portal, www.mycouncil.wa.gov.au, which provides a place to find out how local governments are raising, spending and managing their money. The portal includes information about each local government's financial health using the Financial Health Indicator (FHI). as recommended by the Office of the Auditor-General, the Department of Local Government, Spots and Community is introducing new simplified model financial statements for use by smaller, less complex councils.

In 2021–22, the **Western Australian Local Government Association** (WALGA) completed the sixth year of its Planning and Building Performance Monitoring Project which collects data used by local governments to monitor their performance against that of others.

In **South Australia**, comparisons between councils on a wide range of data are facilitated by the annual publication by the Commission of annual database reports dating back to 1995–96, and are available at <https://www.dit.sa.gov.au/local-government/grants-commission/publications#database>.

Each year, the **Local Government Association of South Australia** (LGASA) assembles an update report providing the latest values, history and comparisons of key financial indicators for the local government sector.

In **Tasmania**, the Tasmanian Audit Office's annual *Auditor-General's Report on the Financial Statements of State Entities* considers council financial performance, including performance against a series of financial performance ratios. This suite of indicators, considered together, is intended to facilitate understanding of individual council performance and comparison between councils and categories of councils.

The Future of Local Government Review Secretariat publishes a council performance dashboard on that Review's website (<https://www.futurelocal.tas.gov.au/council-data/>). This dashboard will be developed into an ongoing public information tool and maintained beyond the Review's duration.

Throughout 2021–22, the **Northern Territory** developed new regulations and guidelines supporting the *Local Government Act 2019* which enable the comparison of performance between councils. This includes a mandatory reporting format and prescribed content to be used by all councils for their monthly financial reports and a standardised format for council budgets and long-term plans.

In 2020, the Department of the Chief Minister and Cabinet (CM&C) partnered with the Local Government Association of the Northern Territory (LGANT) and the Northern Territory's 17 local government councils in the development of the *Local Government 2030 Strategy*. The Strategy was finalised in 2022 and its implementation now sits with LGANT.

The **Local Government Association of the Northern Territory** instituted Strategic Priority Working Groups and held a workshop on Finance and Governance with its member councils to keep the strategic plan progressing. The workshops facilitated shared experiences and processes, for example, how to account for elected member allowances, superannuation and the use of Xero.

The **Australian Capital Territory** (ACT) Government does not currently undertake comparative performance measures with other local governments. However, the ACT Government does participate in the *Productivity Commission's Annual Report on Government Services* which provides information on the equity, efficiency and effectiveness of government services in Australia.

The **Australian Local Government Association** (ALGA) supports the availability of accurate, timely and consistent data to enable evidence-based research, planning and outcomes for local government policy and funding and, where possible, advocates for this approach in line with recommendations from Parliamentary research reports over many years.

Efficiency and effectiveness reforms

As part of their reports, jurisdictions were asked to provide information on 2021–22 reforms to improve the efficiency and effectiveness of local government service delivery. A summary for each jurisdiction follows.

Key reforms implemented by the **New South Wales** Government to strengthen and support the local government sector included:

- progressing and implementing the *Local Government Amendment Act 2021*, including reforms to ensure a fairer and more flexible rating system for councils and ratepayers
- implementing reforms to modernise and improve local government elections
- introducing a new mandatory risk management and internal audit framework for NSW councils.

Through the Office of Local Government (OLG), the NSW Government also progressed other reforms by:

- progressing a review of the tendering provisions of the *Local Government (General) Regulation 2021*
- commencing an independent review of the framework for dealing with councillor misconduct in NSW
- improving local council meeting practice through the release of the *Model Code of Meeting Practice for Local Councils in NSW* to allow attendance at meetings by audio-visual link.

In **Victoria**, the following reforms occurred within the local government sector.

- The *Councils and Emergencies Phase Three Regional Consultation Report* informed the development of actions targeting enhancements to councils' emergency management capability and capacity.
- In 2021, the Minister for Local Government launched the *Local Government Culture Project* to understand the factors influencing culture and conduct within local government and identify opportunities and initiatives to improve culture and conduct. An *Insights Report* released in 2022 will support the local government sector in determining its next steps and agreed actions to address the issues raised throughout the report.

- Legislative reforms were made in 2022 to the *Local Government Act 2020* and a Ministerial Guideline was developed to permanently enable councils and regional libraries to conduct meetings by electronic means of communication, including enabling meetings to be live streamed.
- In 2021–22, Local Government Victoria supported a range of initiatives to improve diversity and inclusivity in Victoria’s local governments, thereby improving service delivery.

The **Queensland** Government progressed the following reforms in 2021–22.

- The Asset Management Advancement Project commenced in late 2021–22 and is projected to continue over 3 to 4 years. A pilot survey is being sent to selected councils early in 2023, with a full survey rollout prior to 30 June 2023 to gauge sector maturity. This will inform asset management advancement activities and an associated program of work.
- The Department of State Development, Infrastructure, Local Government and Planning, the Queensland Treasury Corporation and the University of Queensland have together guided the development of a Financial Sustainability Training program.
- The department funded the Local Government Managers Association of Queensland to engage a governance advisor to assist councils with the review, development and implementation of bespoke suites of policy documents. The Joint Reference Group overseeing this new Government Advisory Service is delighted with progress and take up by councils.
- A new database storing electronic copies of all current Queensland local government local laws was launched.
- LG Central, a new online portal, was developed to make the department’s wide range of resources including policies, best practice guidelines, videos, checklists, templates and FAQs available to councillors and council staff in ways that are more accessible and easier to find.

In 2021–22, the **Local Government Association of Queensland** (LGAQ)

- offered councils a free audit of their cybersecurity exposure, educating council staff about cyber risk and providing clear opportunities to strengthen their cyber-maturity
- established a dedicated innovation lab, called the LGAQ Lab, which is now assisting councils to create innovative digital solutions to meet their service delivery needs and improve their efficiency.

In **Western Australia**, in November 2021, the McGowan Government announced a package of proposed local government reforms. These reforms represent the biggest set of changes to local government in Western Australia in more than 25 years. More details are available in the state’s submission in Appendix B.

The **Western Australian Local Government Association** (WALGA) reported that the Minister for Local Government has put forward a *Local Government Act* legislative reform program that includes a proposal to improve resource sharing and regional collaboration with local government service delivery. These initiatives have been supported by the local government sector and the Act and regulatory amendments pertaining to these reforms will be introduced early in the 2023 calendar year.

In **South Australia**, the Local Government Research and Development Scheme continued as a primary source of funding for research in local government. From its inception in 1997 until

30 June 2022, the Scheme had approved over 780 projects, with approximately \$33 million in approved funding.

In **Tasmania**, Phase 1 of the Future of Local Government Review culminated in the delivery of the Board's Interim Report to the Minister in June 2022. The Interim Report outlined challenges and opportunities for Tasmania's local government sector. The Review is continuing and will deliver its final report to the Minister for Local Government in June 2023.

In 2021–22, the **Local Government Association of Tasmania** (LGAT) undertook significant research which found that Tasmania's legislative framework for local government infrastructure contributions trails that of other states and particularly examples of best practice, such as Queensland's infrastructure charges system. LGAT is advocating for substantial improvements in infrastructure contributions legislation and support to enable better financial sustainability and infrastructure provision for development.

LGAT undertook a review of the workplace health and safety of the local government sector for elected representatives. Its report will develop a series of recommendations on how issues can be addressed and further support provided to elected representatives in the performance of their functions.

LGAT Procurement initiated a 5-year program to further enhance the procurement services provided to the local government sector.

In the **Northern Territory**, the *Local Government Act 2019* introduced mandatory professional development for all elected members.

The City of Palmerston municipal boundary was expanded to include some unincorporated areas from 1 July 2022. The newly incorporated areas were in industry and future development zones and gave the predominantly residential and commercial zoned City of Palmerston a more diverse mix of property types.

The **Local Government Association of the Northern Territory** (LGANT) reported that:

- The Northern Territory Government and local government councils are working together to develop a digital single source of truth for road ownership details and all road tenures within the Territory.
- The West Arnhem Regional Council completed a joint study with Charles Darwin University into their waste management facilities and evaluation of the costs to enter the circular economy to reuse waste streams. This work led to a dramatic improvement of the Gunbalanya Waste Management Facility.
- After considerable work across the sector, and with the Local Government Unit of the Northern Territory Government, the Local Government 2030 Strategy was transferred to LGANT for implementation in March 2022, and launched at the LGANT General Meeting on 7 April 2022, with a set of principles also to be developed to underpin how the 2 spheres of government work together. Collaboration between the NT Government and the local government sector is the focus of this set of principles.
- LGANT supports the incorporation of unincorporated areas into existing local government councils because:
 - It is fair to taxpayers and to those that are already paying rates.
 - It delivers a greater level of local representation to make local decisions.
 - It attracts Australian Government Assistance Grants and access to other Australian and Northern Territory Government grants and programs.

In 2021–22, the **Australian Capital Territory (ACT)** Government implemented a number of reforms to improve the efficiency and effectiveness of service delivery, including the following.

- Access Canberra implemented the compulsory conciliation scheme under the *Fair Trading (Australian Consumer Law) Act 1992*. The scheme allows the Commissioner for Fair Trading to require traders to attend a conciliation conference with consumers as an alternative dispute resolution process and access to justice.
- Transport Canberra progressed work on the Zero Emission Transition Plan by entering into contracts to supply the first 12 new battery electric buses which will operate from Transport Canberra's Tuggeranong bus depot. In addition, Transport Canberra has commenced the planning and design of the necessary electrical infrastructure upgrades to support the charging of larger numbers of electric buses.
- The Rapid Response Biosecurity Team was established in 2022 to target new incursions of invasive species in the ACT and combat the impacts of climate change.
- Since the Sustainable Household Scheme's full launch in September 2021, 6,422 households have applied for loans, totalling \$62.1 million in approved loans. More than 75 per cent of this has gone back into the local industry and economy, and more than 8,700 participating households have received support and education to help improve energy efficiency, sustainability and reduce emissions.
- In September 2021, the ACT Government announced the establishment of a dedicated Coroner and support staff as part of an investment to strengthen the delivery of justice to the community.
- Skilled to Succeed, launched in May 2022, is the ACT Government's skills and workforce agenda that ensures Canberrans have the right skills for in-demand jobs now and into the future.

The **Australian Local Government Association (ALGA)** reported that many like-minded regional and remote area councils have created voluntary groupings, or Regional Organisations of Councils (ROCs), to enable capacity building and resource sharing. Similarly, many state governments have pursued policies of council amalgamation to enable more effective service delivery, generate cost savings, and capture economies of scale.

Councils around Australia continue to embrace new technologies to improve their service delivery standards and broaden consultation and engagement with their local communities. The COVID pandemic experiences continue to encourage the adoption of digital technologies in local government. Many councils pivoted their in-person services to online channels so staff could continue to serve residents and ratepayers safely and these services remain today.

For local government there are some significant gains from coordinated approaches to Information Communication Technology (ICT), many of which state/territory associations are already leveraging. These include shared ICT and shared services, coordinated/joint procurement and the sharing of knowledge and approaches that deliver the best results.

Reporting requirements

Aboriginal and Torres Strait Islander councils have been established under different legislative frameworks. They can be established under the mainstream local government legislation of a jurisdiction or through distinct legislation. They can also be 'declared' to be local governing bodies by the Australian Government Minister responsible for local government (the Federal Minister) on advice from a state or Northern Territory Minister for the purpose of providing funding under the Financial Assistance Grant program.

Section 16 of the Act requires an assessment, based on comparable national data, of the delivery of local government services to Aboriginal and Torres Strait Islander communities.

During 2021–22, all jurisdictions pursued initiatives to promote the delivery of local government services to Aboriginal and Torres Strait Islander communities. A summary of key initiatives is also provided later in this chapter with further details outlined in Appendix B.

Closing the Gap – a national picture

The Closing the Gap Annual Data Compilation Report is compiled by the Productivity Commission. It provides a point-in-time snapshot of progress under the National Agreement on Closing the Gap (the Agreement) signed in July 2020.

On 28 June 2022, the Productivity Commission released the second Annual Data Compilation Report.

The Agreement identifies 17 socioeconomic outcomes important to the rights, wellbeing and quality of life of Aboriginal and Torres Strait Islander people.

The socioeconomic targets provide limited information on progress at this stage. No new data are available since the baseline year for eight of the targets, and for the targets where there are new data available the most recent data are for 2021, only one year after the Agreement commenced.

For the targets that have new data and assessments of progress, the results are mixed and most need to be used with caution.

- Four are on track (healthy birthweight of babies, the enrolment of children in the preschool, youth detention rates and land mass subject to rights and interests).
- Five are not on track (children commencing school developmentally on track, out-of-home care, adult imprisonment, suicide deaths, and sea country subject to rights and interests).

These results also need to be understood in context. They are highly aggregated and may not reflect the outcomes for different population groups. Supporting indicators that are now available can also help provide a more complete story on the socioeconomic outcomes.

Further information on Closing the Gap is available at <https://www.pc.gov.au/closing-the-gap-data/annual-data-report/report>.

State, territory and local government initiatives

In 2021, the Office of Local Government (OLG) in **New South Wales** worked with Aboriginal Affairs NSW and Local Government NSW to develop a Closing the Gap Integrated Planning and Reporting (IP&R) template factsheet for councils. The template fact sheet guides councils on how they could incorporate activities contributing to priority reforms in the development of their community strategic plans and throughout their IP&R process.

Tamworth Regional Council has become the first NSW council to adopt a Closing the Gap Strategy and the OLG in NSW is working with them to develop a business case to support other councils to do the same.

In July 2021, the OLG engaged an Aboriginal consultancy to work with current First Nations councillors to identify short and longer-term strategies to increase the number of First Nations councillors in NSW. The report highlighted that future councillors would benefit from early targeted development of young First Nations people with leadership potential in areas such as governance, resilience, mentoring and peer learning.

The OLG anticipates that these strategies, when implemented, will also increase Aboriginal employment in local government. The 2021 local government elections saw an increase in First Nations councillors.

The Victorian Aboriginal and Local Government Strategy 2021–2026 was launched in **Victoria** on 21 March 2022. The Strategy recommends actions for government and Aboriginal communities that progress Aboriginal self-determination and reconciliation. The Strategy has been informed by a strong consultation process will help embed the voices and priorities of Aboriginal communities at a local government level. The finalisation of the Strategy was a named Action in Victoria's *Closing the Gap Implementation Plan*.

To support the release of the Strategy, the Minister for Local Government in Victoria issued a Good Practice Guideline under the *Local Government Act 2020* to assist councils when engaging with Traditional Owners, Aboriginal organisations and communities. It provides a step-by-step guide for councils on how to identify, engage and build connections and develop mutually beneficial relationships. In addition, general Guidance has been developed to support councils with implementation of the Guideline and Strategy. This initiative was also a named Action in Victoria's *Closing the Gap Implementation Plan*.

In June 2022, the **Local Government Association of Queensland** (LGAQ) commenced a new 3-year commitment to supporting employment opportunities in First Nation councils. The Indigenous Capacity Building was established in 2015 and has supported the training of more than 3,000 council workers. It has performed a vital role in ensuring the retention and development of staff within First Nation communities.

The LGAQ understands that First Nations councils are heavily relied upon by other spheres of government for consultation on Indigenous community matters. LGAQ continue to provide a range of services to support elected members and senior officers from First Nation communities, including access to advice, guidance and online tools in areas such as governance, compliance, industrial relations and disaster management.

The **Western Australian** Government developed its first Closing the Gap Jurisdictional Implementation Plan. The Implementation Plan is closely aligned with the Aboriginal Empowerment Strategy, which sets the WA Government's high-level strategic approach for working with Aboriginal people towards empowerment and better outcomes. The DLGSC is working with the State Government and local government to develop a state action/implementation plan.

In 2022, an Aboriginal Policy and Business Advisor position was established to lead and manage the development and implementation of the Western Australian Department of Local Government, Sport and Cultural Industries (DLGSC's) Reconciliation Action Plan, Aboriginal Empowerment Strategy Western Australia 2021–2029 and Closing the Gap WA Implementation Plans.

In October 2022, the **Western Australian Local Government Association** (WALGA) hosted the Aboriginal Engagement and Reconciliation Forum which was attended by more than 200 delegates and aims to strengthen partnerships and celebrate policy and practice successes in the local government sector.

Throughout 2022, the Department of Planning, Lands and Heritage in Western Australia delivered a 3-phase co-design process to develop regulations, statutory guidelines and operational policies to support the *Aboriginal Cultural Heritage Act 2021*. As part of this process, WALGA delivered 3 webinars and facilitation of WALGA's Aboriginal Cultural Heritage Reference Group. WALGA made 3 submissions advocating on behalf of local government.

During 2021–22, the **Local Government Association of South Australia** (LGASA) continued to strengthen its partnerships with Reconciliation South Australia (SA). Through this partnership, the Local Government Reconciliation Industry Network Group (LG RING) continued to provide an opportunity for elected members and senior leaders to exchange information, build relationships and networks and develop, support and promote shared reconciliation initiatives and activities.

In addition, the LGASA was successful in applying for a \$50,000 National Indigenous Australians Agency local investments grant. Through the grant, a project officer was employed at Reconciliation SA for 12 months to work with SA councils.

In **Tasmania** between May and July 2022, the Office of Local Government in collaboration with the **Local Government Association of Tasmania** (LGAT) conducted a Local Government Aboriginal Audit. As at July 2022, 4 councils had developed and implemented a Reconciliation Action Plan that aligns with Closing the Gap objectives. In lieu of a Reconciliation Action Plan, Launceston City Council released its draft Aboriginal Partnership Plan as part of its Community Engagement strategy for public consultation in late 2022. The remaining councils are at different stages of developing a Reconciliation Action Plan and have indicated that they will require assistance from LGAT and the Office of Local Government in this regard.

In 2021–22, **Northern Territory** grant funding totalling \$8.6 million was allocated to 9 regional councils and one shire council under the Indigenous Jobs Development Fund to assist with subsidising 50 per cent of the cost of employing Aboriginal staff within their respective councils.

The **Local Government Association of the Northern Territory** (LGANT) reported that they participated in the Local Authority Review and contributed to the development of the Implementation Plan Annual Report which was endorsed by the Northern Territory Government Cabinet and subsequently tabled during Parliament in late 2022.

The actions LGANT has committed to lead include formal partnerships and shared decision making to work with the local government sector to maximise Aboriginal people in shared decision making regarding Aboriginal cadetships, graduate, apprentice, trainee, transition from school, and to also better capture Aboriginal representation and employment across councils.

In addition, LGANT contributed to the Working Group that has developed metrics, in which each of these actions can be measured against for the 2022–23 Annual Report.

Under the **Australian Capital Territory (ACT) Aboriginal and Torres Strait Islander Agreement 2019–2028**, and the ACT National Closing the Gap Jurisdictional Implementation Plan June 2021, the ACT Government is undertaking a wide range of initiatives to improve health and wellbeing outcomes for Aboriginal and Torres Strait Islander people.

Deliverable actions under the National Agreement on Closing the Gap (the National Agreement) have been identified under Priority Reform 2 – Building a community-controlled sector to establish parity in relation to overcrowding by increasing the proportion of Aboriginal and Torres Strait Islander people living in appropriately sized (not overcrowded) housing by 2031.

In 2021–22, the Community Services Directorate (CSD) engaged Curijo, a local ACT majority Aboriginal owned company, to develop a Community Participation Approach and Implementation Framework. This will guide, support, and strengthen commitment to support culturally appropriate public and community housing accommodation options for the ACT Aboriginal and Torres Strait Islander community.

In March 2022, Housing ACT delivered the third and final complex, for Aboriginal and Torres Strait Islander older people, named Ningulangu, fulfilling a commitment under the ACT Housing Strategy, ACT Aboriginal and Torres Strait Islander Agreement 2019–2028, the Parliamentary and Governing Agreement for the 10th Legislative Assembly, and the new National Agreement on Closing the Gap. Housing ACT worked closely with the Aboriginal and Torres Strait Islander Elected Body (the Elected Body) to deliver 3 dedicated, long-term older persons accommodation sites, each site comprising 5 dwellings. The Elected Body was involved in the initial concept, design development and community engagement process for each development.

The **Australian Local Government Association (ALGA)** prepared its first Closing the Gap implementation plan in September 2021 in accordance with the national agreement on Closing the Gap (July 2020). ALGA's commitment and objectives to be progressed in this implementation plan include:

- ensuring local governments understand the agreement and its commitments and encourage its adoption by local governments;
- assist the state and territory governments to work with local governments in the implementation of this agreement; and
- support strengthened shared decision-making at the local level, supporting local governments to be part of partnerships with the federal, states, and territory governments and local Aboriginal and Torres Strait Islander Communities.

This plan focuses on the actions ALGA and member state and territory associations have taken to support jurisdictions' work with their councils and First Nations peoples to achieve the objectives of the agreement.

Appendix A

National Principles

Under section 3 of the *Local Government (Financial Assistance) Act 1995* (the Act), the Australian Government provides financial assistance for local government purposes by means of grants to the states and self-governing territories for the purpose of improving:

- the financial capacity of local governing bodies
- the capacity of local governing bodies to provide their residents with an equitable level of services
- the certainty of funding for local governing bodies
- the efficiency and effectiveness of local governing bodies
- the provision, by local governing bodies, of services to Aboriginal and Torres Strait Islander communities.

In determining allocations, local government grants commissions are required to make their recommendations in line with the National Principles. The National Principles are set out in Figure 5 and Figure 6. Figure 7 describes the horizontal equalisation National Principle in detail.

The main objective of having National Principles is to establish a nationally consistent basis for distributing financial assistance to local government under the Act. The Act includes a requirement (in section 6(1)) for the Australian Government Minister responsible for local government to formulate National Principles after consulting with jurisdictions and local government.

The formulated National Principles are a disallowable instrument under the Act. As such, any amendments, including the establishment of new principles, must be tabled in both Houses of the Australian Parliament before they can come into effect. Members and senators then have 15 sitting days in which to lodge a disallowance motion. If such a motion is lodged, the respective House has 15 sitting days in which to put and defeat the disallowance motion. If the disallowance motion is defeated, the amendment stands. If the disallowance motion is passed, the amendment will be deemed to be disallowed.

Figure 5 National Principles governing allocation by states and the Northern Territory among local governing bodies – general purpose

A. General purpose

The National Principles relating to allocations of the general purpose grants payable under section 9 of the *Local Government (Financial Assistance) Act 1995 (Cth)* (the Act) among local governing bodies are as follows:

1. Horizontal equalisation

The general purpose component will be allocated to local governing bodies, as far as practicable, on a full horizontal equalisation basis as defined by the Act. This is a basis that ensures each local governing body in the state or 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 or territory. It takes account of differences in the expenditure required by those local governing bodies in the performance of their functions and in the capacity of those local governing bodies to raise revenue.

2. Effort neutrality

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

3. Minimum grant

The minimum general purpose allocation for a local governing body in a year will be not less than the amount to which the local governing body would be entitled if 30 per cent of the total amount of the general purpose grants to which the state or territory is entitled under section 9 of the Act in respect of the year, were allocated among local governing bodies in the state or territory on a per capita basis.

4. 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.

5. Aboriginal and Torres Strait Islander peoples

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

6. Council amalgamation

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

Figure 6 National Principles governing allocation by states and the Northern Territory among local governing bodies – identified local road

B. Identified local road

The National Principle relating to allocation of the amounts payable under section 12 of the Act (the identified road component of the financial assistance grant) among local governing bodies is as follows:

1. 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 road needs, relevant considerations include length, type and use of roads in each local governing area.

Figure 7 What is horizontal equalisation?

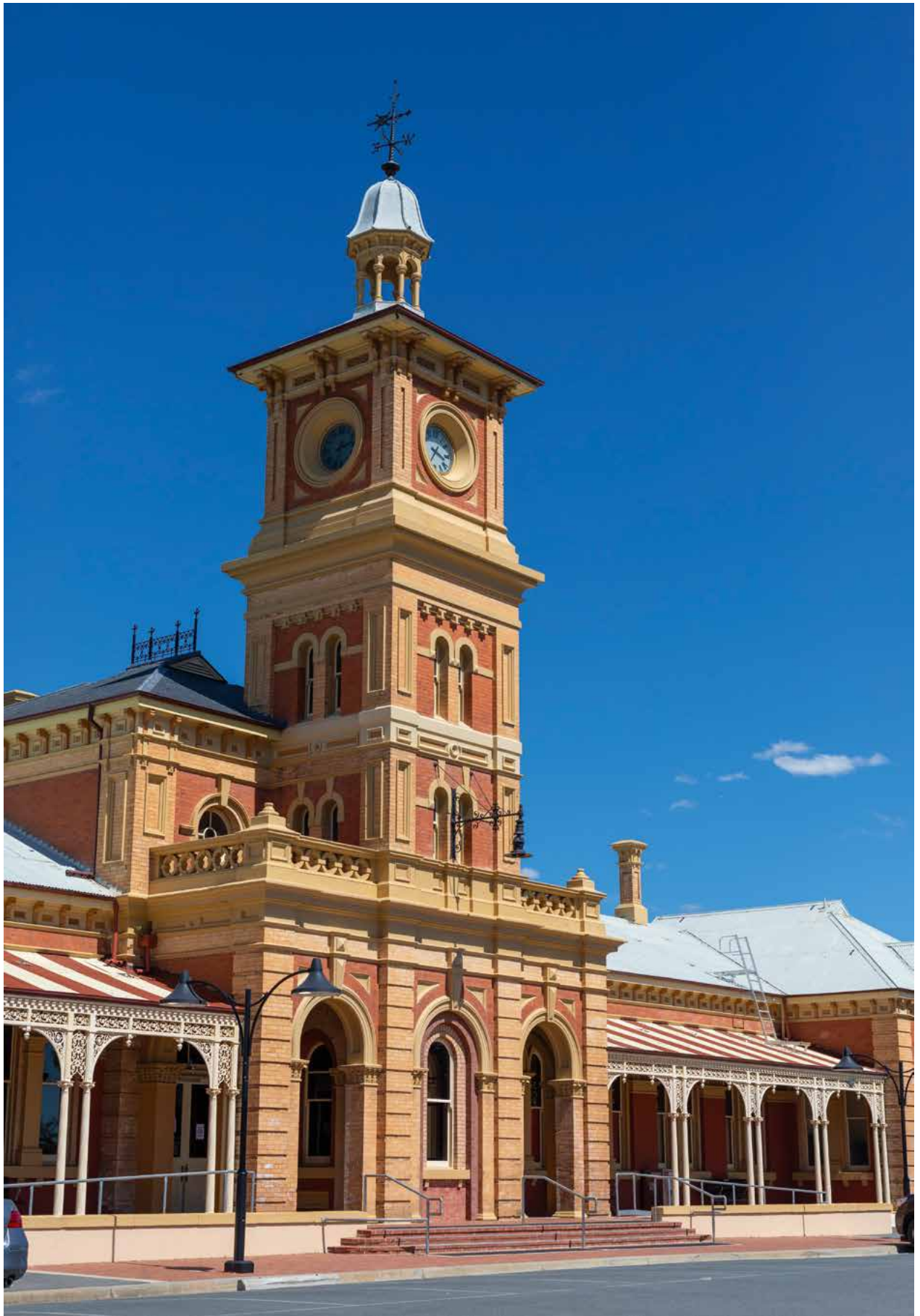
Horizontal equalisation would be achieved if every council in a state or territory, by means of reasonable revenue-raising effort, were able to afford to provide a similar range and quality of services. The Australian Government pursues a policy of horizontal equalisation when it distributes goods and services tax revenue to state and territory governments.

The *Local Government (Financial Assistance) Act 1995 (Cth)* (the Act) requires the Minister, in formulating the National Principles, to have regard to the need to ensure that general purpose funds are allocated, as far as is practicable, on a full horizontal equalisation basis. Section 6(3) of the Act defines horizontal equalisation as being an allocation of funds that:

- ensures each local governing body in a state is able to function, by reasonable effort, at a standard not lower than the average standard of other local governing bodies in the state
- takes account of differences in the expenditure required to be incurred by local governing bodies in the performance of their functions and in their capacity to raise revenue.

Distribution on the basis of horizontal equalisation is determined by estimating the costs each council would incur in providing a normal range and standard of services and by estimating the revenue each council could obtain through the normal range and standard of rates and charges. The allocation is then altered to compensate for variations in expenditure and revenue to bring all councils up to the same level of financial capacity.

This means councils that would incur higher relative costs in providing normal services – for example in remote areas (where transport costs are higher) or areas with a higher proportion of elderly or pre-school aged people (where there will be more demand for specific services) – will receive relatively more grant money. Similarly, councils with a strong rate base (highly valued residential properties, high proportion of industrial and/or commercial property) will tend to receive relatively less grant money.



Appendix B

Jurisdictional submissions

Report from the New South Wales Government

New South Wales methodology for distributing Financial Assistance Grants for 2021–22

The New South Wales Financial Assistance Grants have two grant components: the General Purpose Component (GPC) and the Local Roads Component (LRC).

General Purpose Component

The GPC attempts to equalise the financial capacity of councils, consistent with the Horizontal Fiscal Equalisation Principle. The Commission uses the direct assessment method. This approach assesses an individual council's relative cost disadvantage in the state in the provision of services on the one hand and relative capacity to raise revenue on the other.

Cost disadvantages in the provision of services (expenditure allowances)

Expenditure allowances are calculated for each council for 6 council services. The allowances attempt to compensate councils for expected above average costs resulting from issues that are beyond councils' control. To be consistent with the Effort Neutrality Principle, individual council policy decisions concerning the level of service provided, or, if there is a service provided at all, are not considered.

The general formula for calculating the expenditure allowances is:

Number of units multiplied by standard cost multiplied by disability factor

where:

- the number of units (population) is the measure of use for the service for the council.
- the standard cost is the state average cost per unit for each of the selected services. The calculation is based on a state-wide average of councils' gross operational costs, using selected items from the Net Cost of Services data reported by councils, averaged over five years.
- the disability factor is the measure of relative disadvantage for the council.

A disability factor is the Commission's estimate of the additional cost of providing a standard service due to inherent characteristics and factors that are beyond a council's control. For example, if it estimated that it would cost a council 20 per cent more than the state standard to provide recreational services, the disability factor would be 20 per cent.

Disability factors applied have been tested for materiality. The Commission has identified variables that are considered to be the most significant in influencing a council's expenditure on that particular service. A key disadvantage is a smaller population. A council may have a disability due to inherent factors such as smaller populations, higher Aboriginal and Torres Strait Islander populations, area of environmental land, rainfall, topography and drainage index score, and local road length.

In addition to disabilities identified by the Commission, other disabilities impacting individual councils, or a group of councils, may be determined. These may come to light where circumstances have been identified as a result of holding public hearings with councils or special submissions by councils. Currently, there are no individual cases of discretionary disabilities except for councils eligible for the relative disability allowance. However, the Commission does research issues raised by councils and tests the data, for example, the Socio-Economic Index For Areas (SEIFA), produced by the Australian Bureau of Statistics, before making a determination.

The general approach to calculating a disability factor is to take each disability relating to a service and to apply the following formula:

$$\text{Disability Factor} = \left(\frac{\text{Council Measure}}{\text{Standard Measure}} \right)^{\text{Weighting}} - 1$$

where:

- the council measure is the individual council's measure for the disability being assessed against the state average measure
- the standard measure is the state average measure for the disability being assessed
- the weighting is calculated to reflect the significance of the measure in terms of the expected additional cost to that function.

Negative scores are not calculated. That is, if the council score is less than the standard, a factor of zero is substituted. The factors calculated for each disability are then added together to give a total disability factor for the service.

Isolation Allowance

The Commission also calculates an allowance for councils outside the Sydney statistical division to recognise the additional cost of providing services due to isolation. The formula uses population, a council's distance from Sydney, distance from the nearest regional centre and a five-year rolling averaged additional expenditure.

The isolation allowance is calculated using a regression analysis model based on the additional costs of isolation and distances from Sydney and major regional centres. An additional component of the isolation allowance is included which specifically recognises the additional industrial relations obligations of councils in western New South Wales.

Pensioner Rebate Allowance

A pensioner rebate allowance is calculated to recognise a council's share of additional costs for compulsory pensioner rebates. Councils with higher proportions of ratepayers that qualify for eligible pensioner rebates are considered to be more disadvantaged than those with a lower proportion.

Revenue allowances

Revenue allowances attempt to compensate councils for their relative lack of revenue-raising capacity. Property values are the basis for assessing revenue-raising capacity because rates, which are based on property values, are the principal source of councils' income. As part of the Commission's review, property values were tested and found to have a strong statistical relationship as a proxy for revenue-raising capacity. Importantly, property values are also considered to be a useful indicator of the relative economic strength of local areas.

The Commission's methodology compares land values per property for the council to a state average value and multiplies the result by a state average rate-in-the-dollar. The Commission uses valuation data that has been calculated to a common base date for all councils by the NSW Valuer-General. To reduce seasonal and market fluctuations in the property market, the valuations are averaged over three years.

The revenue allowance calculation assesses councils with low values per property as being disadvantaged and are brought up to the average (positive allowances), while councils with high values per property are assessed as being advantaged and are brought down to the average (negative allowances). That is, the theoretical revenue-raising capacity of each council is equalised against the state standard. The Commission's approach excludes the rating policies of individual councils (Effort Neutrality Principle).

Separate calculations are made for urban and non-urban properties. Non-rateable properties are excluded from the Commission's calculations because the calculations deal with relativities between councils, based on the theoretical revenue-raising capacity of each rateable property.

In developing the methodology, the Commission was concerned that use of natural weighting would exaggerate the redistributive effect of the average revenue standards. That is, the revenue allowances are substantially more significant than the expenditure allowances. This issue was discussed with the Australian Government and the agreed principles provide that '*revenue allowances may be discounted to achieve equilibrium with the expenditure allowances*' (refer to 'Principles'). As a result, both allowances are given equal weight.

The discounting helps reduce the distortion caused to the revenue calculations as a result of the property values in the Sydney metropolitan area. The objective approach to discounting revenue allowances reduces the extreme positives and negatives calculated but retains the established relativities between councils.

The Commission does not specifically consider rate pegging, which applies in New South Wales. The property-based calculations are essentially dealing with relativities between councils, and rate pegging affects all councils.

Movements in the GPC grant are generally caused by annual variations in property valuations, standard costs, disability measures and population.

The GPC upper limit was capped at a 5 per cent increase on the prior year's GPC and lower limit was capped at 0 per cent so no council received a reduced grant.

Factors excluded from the General Purpose Component calculations

Capital expenditure

The Commission does not consider councils' requirements for capital expenditure because of the practical and theoretical problems involved. In order to assess capital expenditure requirements, the Commission would have to undertake a survey of each council's infrastructure needs and then assess the individual projects for which capital assistance is sought. This would undermine council autonomy, because the Commission, rather than the council, would be determining which projects were worthwhile. Furthermore, councils that had failed to adequately maintain their assets could be rewarded at the expense of those that undertook sound asset management practices.

Water and sewerage services

The issue of funding for local water and sewerage undertakings was examined during the process of consultation between the Commission, the then Local Government and Shires Associations (the Associations), and local government generally.

The Associations and local government recommended to the Commission that water and sewerage services should not be included in the Financial Assistance Grants distribution principles because:

- not all general purpose councils in New South Wales perform such services
- the level of funds available for other council services would be significantly diminished if such services were considered
- inclusion would result in a reduced and distorted distribution of funds to general purpose councils
- the state government makes other sources of funds and subsidies available to councils for such services.

The Commission agreed and accordingly, water and sewerage services are excluded from the distribution formula.

The Commission views individual council income and losses from council business activities as a policy decision and, therefore, does not consider these in the grant calculations (Effort Neutrality Principle) and generally these services are provided on a cost recovery basis.

Council debt

Debt servicing is related to individual council policy and is therefore excluded from the Commission's calculations.

Council expenditure

The levels of a council's individual expenditure on a particular service do not affect a council's grants. Use of a council's expenditure is generally limited to determining a state standard cost for each selected service. The standard costs for these services are then applied to all councils in calculating their grants. What an individual council actually spends on a service has very little bearing on the standard cost or its grant.

Efficient councils

Efficient councils are rewarded by the effort neutrality approach to the calculations. To illustrate this, two councils with similar populations, road networks, property values, and disability measures would receive similar grants. The efficient council can use its grant funds to provide better facilities for its ratepayers. The inefficient council cannot provide additional services to its ratepayers.

Australian Classification of Local Governments

Council classifications within the Australian Classification of Local Governments have no bearing on the grants. Classifications simply provide a convenient method of grouping councils for analysis purposes.

Formulae

The formulae used to calculate expenditure and revenue allowances of the General Purpose Component are as follows.

Expenditure allowances

Allowances for most services are calculated on the following general formula:

$A_c = N_c$ multiplied by E_s multiplied by D_c

where: A_c = allowance for the council for the expenditure service
 N_c = number of units to be serviced by council
 E_s = standard expenditure per unit for the service
 D_c = disability for the council for service in percentage terms.

Isolation Allowances

Isolation allowances are calculated for all non-metropolitan councils based on the formula:

$A_c = P_c \times ([D_{sc} \times K1] + [D_{nc} \times K2] + I_c)$

where: A_c = the isolation allowance for each council
 P_c = the adjusted population for each council
 D_{sc} = the distance from each council's administrative centre to Sydney
 $K1$ and $K2$ are constants derived from regression analysis.
 D_{nc} = the distance from each council's administrative centre to the nearest major regional centre (a population centre of more than 20,000)
 I_c = the additional per capita allowance due to industrial award obligations (if applicable)

Specific purpose payments

Allowances for services are discounted, where appropriate, to recognise the contribution of specific purpose grants. The discount factor that generally applies is:

$$DF_{\text{Council, Expenditure Function}} = \frac{G_{\text{Council, Expenditure Function}}}{E_{\text{Council, Expenditure Function}}}$$

where: DF = the discount factor applied for each council for each expenditure function
 G = the sum of all specific purpose grants received by the council for each expenditure function
 E = the calculated standard cost for each expenditure function for each council.

Revenue allowances

The general formula for calculating revenue allowances is:

$$Ac = Nc \times ts \times (Ts - Tc)$$

where: Ac = revenue allowance for the council
 Nc = number of properties (assessments)
 lower case ts = standard tax rate (rate-in-the-dollar)
 upper case Ts = standard value per property
 upper case Tc = council's value per property.

The standard value per property (upper case Ts) is calculated as follows:

upper case Ts = the sum of the rateable values for all councils divided by the sum of the number of properties for all councils.

The standard tax rate (lower case ts) is calculated as follows:

lower case ts = the sum of the net rates levied for all councils divided by the sum of the rateable values for all councils.

Pensioner Rebate Allowances

The general formula for the allowance to recognise the differential impact of compulsory pensioner rates rebates is:

$$Ac = Rc \times Nc \times (Pc - Ps)$$

where: Ac = the allowance for the council
 Rc = the standardised rebate per property for the council
 Nc = the number of residential properties
 Pc = the proportion of eligible pensioner assessments for the council
 Ps = the proportion of eligible pensioner assessments for all councils.

The standardised rebate for the council (Rc) is:

$Rc = 0.25$ multiplied by upper case Tc multiplied by lower case ts

where: upper case Tc = the average value per residential property in the council
 lower case ts = the standard tax rate (as a rate-in-the-dollar) for residential properties.

The maximum value for Rc is set at \$125. Upper case Tc and lower case ts are calculated as for the revenue allowances except only residential properties are used.

Principles

General Purpose (Equalisation) Component

These principles, consistent with the National Principles of the *Local Government (Financial Assistance) Act 1995 (Cth)*, are based on an extensive program of consultation with local government.

The agreed principles are:

1. General purpose grants to local governing bodies will be allocated as far as practicable on a full equalisation basis as defined in the *Local Government (Financial Assistance) Act 1995 (Cth)*; that is, a basis which attempts to compensate local governing bodies for differences in expenditure required in the performance of their functions and in their capacity to raise revenue.
2. The assessment of revenue and expenditure allowances of local governing bodies will, as far as is practicable, be independent of the policy or practices of those bodies in raising revenue and the provision of services.
3. Revenue-raising capacity will primarily be determined on the basis of property values; positive and negative allowances relative to average standards may be calculated.
4. Revenue allowances may be discounted to achieve equilibrium with expenditure allowances.
5. Each expenditure allowance is determined using recurrent cost; both positive and negative allowances relative to average standards may be calculated.
6. Expenditure allowances are discounted to take account of specific purpose grants.

Local Roads Component

The method of allocating the local road component is based on a simple formula developed by the former New South Wales roads authority. The formula uses councils' proportion of the state's population, local road length and bridge length. Details of the formula are discussed under 'Principles'.

Financial assistance, which is made available as an identified local road component of local government financial assistance, shall be allocated so as to provide Aboriginal communities equitable treatment in regard to their access and internal local road needs.

Principles

1. Urban [metropolitan] area

'Urban area' means an area designated as an 'urban area':

- a. the Sydney Statistical Division
- b. the Newcastle Statistical District
- c. the Wollongong Statistical District.

2. Rural [non-metropolitan] area

'Rural area' means an area not designated as an 'urban area'.

3. Initial distribution

27.54 per cent to local roads in urban areas

72.46 per cent to local roads in rural areas.

4. Local road grant in urban areas

Funds will be allocated:

- a. 5 per cent distributed to individual councils on the basis of bridge length
- b. 95 per cent distributed to councils on the basis of:
 - i. 60 per cent distributed on length of roads
 - ii. 40 per cent distributed on population.

5. Local road grant in rural areas

Funds will be allocated:

- a. 7 per cent distributed to individual councils on the basis of bridge length
- b. 93 per cent distributed to councils on the basis of:
 - i. 80 per cent distributed on length of roads
 - ii. 20 per cent distributed on population.

6. Data

Population is based on the most up-to-date Estimated Resident Population figures available from the Australian Bureau of Statistics (ABS).

Road length is based on the most up-to-date data available to the Commission for formed roads, which are councils' financial responsibility.

Bridge length is based on the most up-to-date data available to the Commission for bridges and culverts 6 metres and over in length, measured along the centre line of the carriageway, which are councils' financial responsibility.

The method of application of the statistics shall be agreed to between representatives of the Local Government Grants Commission of New South Wales and the Local Government Association of New South Wales (LGNSW).

Methodology changes for 2021–22 from that used in 2020–21

The NSW methodology for distributing funding in 2021–22 has not essentially changed from that used in 2020–21. Refer to Table 20 for a summary of the key changes to methodology for the General Purpose Component (GPC):

Table 20 Summary of the key changes to methodology for the general purpose component in NSW

Period	Change
2013 to 2016	<ul style="list-style-type: none"> • Weighting increase to the Isolation Allowance • Staged reduction of discretionary disability factors • Introduction of a disability factor for Population Decline • Increase in standard cost of unsealed road maintenance • Removal of the 'urban density' measure from the recreation function • Varying floors and ceilings to adapt to the available funds
2018–19 (transition to revised model)	Revised Expenditure Allowance: <ul style="list-style-type: none"> • Categories consolidated by statistical significance testing (from 20 to 6) • Disability factors consolidated by statistical significance testing (from 47 to 5) with a transition to retain grant stability applying a 0 per cent floor and a 5 per cent ceiling • Relative Disability Allowance \$5m
2019–20	No change
2020–21	Relative Disability Allowance reduced to \$4.5m
2021–22	Relative Disability Allowance restored to \$5m

A \$5 million relative disability allowance (RDA) was introduced in 2018–19 by the New South Wales Grants Commission (the Commission) to assist in better achieving horizontal fiscal equalisation. After determining the per capita minimum amount in 2020–21, \$4.5 million (0.78 per cent of the total pool) was quarantined from the CPI increase. The reduction of \$0.5 million in 2020–21 was due to a significantly lower CPI increase.

As the level of the CPI increased in 2021–22, the Commission recommended resuming the previous amount of RDA to \$5 million (0.85 per cent of the total pool). This is allocated to councils eligible for the isolation allowance formula (a set amount of \$1.5 million), and the balance is divided between councils with population decline (\$800,000) and councils with unsealed local roads (\$2.7 million) based on the number of eligible councils.

The Commission's strategy has been to allocate funds fairly to communities with the greatest relative disadvantage. This remains a challenge while the National Principles mandate that 30 per cent of the GPC must be distributed on a per capita basis to all councils in a jurisdiction, including those with greater relative advantage. Following extensive independent and internal reviews of the methodology, in 2018–19 the Commission adopted a revised model with a transition period. In steering the path out of the transition, the Commission has given consideration to many external factors, including the impacts of the COVID-19 pandemic and, to this point, has retained the 0 per cent floor. The Commission continues to consult with the sector about resuming the lower limit to minus 5 per cent.

Developments in the use of long-term financial and asset management plans

Local councils in NSW report under an Integrated Planning and Reporting (IP&R) framework that drives their strategic planning, including long-term financial and asset management planning.

In September 2021, the Office of Local Government (OLG) released updated IP&R guidance material for councils, including a Guideline and a Handbook setting out the IP&R framework in detail. The main components of the IP&R framework include:

- **Community Strategic Plan** – The highest level of strategic planning undertaken by a council, with a ten-year plus timeframe. All other plans must support achievement of the Community Strategic Plan objectives.
- **Resourcing Strategy** – Shows how council will resource its strategic priorities, identified through IP&R. The Resourcing Strategy includes 3 inter-related elements:
 - long-term financial planning
 - workforce management planning
 - asset management planning.
- **Delivery Program** – This outlines the council's commitment to the community about what it will deliver during its term in office to achieve the Community Strategic Plan objectives.
- **Operational Plan** – This shows the individual projects and activities a council will undertake in a specific year. It includes the council's annual budget and Statement of Revenue Policy.
- **Annual Report** – This reports back to the community on the work undertaken by a council in a given year to deliver on the commitments of the Delivery Program via that year's Operational Plan. Councils also report on their financial and asset performance against the annual budget and longer-term plans.

The NSW Auditor-General oversees the auditing of councils' annual financial statements to improve the consistency, reliability and quality of financial reporting and public accountability in the local government sector.

The Auditor-General's Report on Local Government 2021 stated that there had been a reduction in the number of councils who undertook early close procedures relative to 2020. It also reported that 45 per cent of councils had weak processes in respect of the maintenance and security of their fixed asset registers and 39 per cent had deficiencies concerning their processes in revaluing infrastructure assets. However, the number of reported findings with asset management in general fell from 304 in 2020 to 288 in 2021, a drop of 5 per cent.

Councils were required to have an Audit Risk and Improvement Committee in place by 4 June 2022. Further amendments are also being made to require all councils to have a risk management framework and internal audit function in place from 1 July 2024. A draft guideline to be issued under s23A of the *Local Government Act 1993* outlining the requirements is currently available on the OLG's website and is expected to be reissued in final form in early 2023.

These requirements will assist councils in overseeing their management of finances and assets and should ensure better delivery of services and increased levels of accountability and transparency – all of which will be a positive outcome for their communities.

The OLG continues to encourage the professional development of both council staff and councillors. Training is being offered to support councils in the areas of integrated reporting and financial management. In early 2022, the OLG delivered a series of webinars and information sessions for new councillors across the state, which included information about financial management, strategic planning, and the integrated planning and reporting framework.

There are also a number of online resources available through the OLG's council portal, which is connected to the OLG website, including the recordings of training webinars. These can be accessed by council staff and councillors and cover a range of topics from strategic planning, financial reporting, accounting guidance through to conducting meetings.

In addition, the OLG undertakes an ongoing review of council financial performance and follows up with particular councils where they may have questions or concerns.

With these initiatives the local government sector in NSW is well placed to review and improve long-term financial and asset management planning and ensure these plans are effectively implemented as an integrated part of councils' operations.

Actions to develop and implement comparative performance measures for 2021–22

In September 2019, the NSW Government launched the *Your Council* website which draws on data already collected by the Office of Local Government (OLG) from NSW councils and other agencies and presents it in an easy to understand and user-friendly way. It is updated annually as new data becomes available.

The *Your Council* website provides comprehensive statistics on the operations of NSW councils. The data for each council is also benchmarked against the average for like councils so ratepayers can compare how their council is performing.

The data is available in time series format which enables comparisons between councils against a range of local government data and performance indicators including housing, employment and population that can be used to measure council's performance across various disciplines and across multiple years.

Data sources include council financial reports, rating records, Australian Bureau of Statistics' population data and various other Government data. The information collected has also been used to calculate Financial Assistance Grants, analyse councils' financial health and check compliance of rates collected.

Throughout 2021–22 the OLG continued to work closely with the NSW Audit Office, which plays a key role in conducting financial and performance audits under the *Local Government Act 1993*. This engagement continues to contribute to improvements in sector financial reporting, including through the Local Government Code of Accounting Practice and Financial Reporting and other guidance, training and support to councils in NSW. Insights from these audits also continue to provide valuable input to ongoing work to develop improved comparative performance measures at a state level over time.

Moving forward, the Government is continuing work with the local government sector to refine the local government performance measurement framework to ensure the robustness of financial risk assessments of councils' performance whilst incorporating non-financial information into performance assessments.

The NSW Government is also exploring alternative of ways to refine the processes in collecting and providing access to information.

Legislative and other reforms undertaken during 2021–22

In 2021–22, the NSW Government continued to focus on consolidating key reform priorities to improve council performance, integrity, transparency and accountability, to streamline regulation and to build the strategic capacity of local councils so they are better placed to serve their local communities. In addition, a number of reform activities were driven by the need to support local councils in responding to the challenges of the COVID-19 pandemic and bushfires.

Key reforms implemented by the NSW Government to strengthen and support the local government sector included:

- the passing of the *Prevention of Cruelty to Animals Amendment Act 2021*, creating some of Australia's toughest suite of animal cruelty penalties. This Act dramatically increases penalties for animal welfare offences and expands the range of tools available to courts to effectively deal with animal welfare offences.
- the commencement of a comprehensive review of animal rehoming practices in consultation with councils as well as rehoming organisations to collect and analyse information to better understand euthanasia rates and trends. The review is exploring ways to reduce euthanasia rates including any need for legislative reform, improvements to impounding and rehoming processes, and better data collection and record keeping.
- the passing of the *Public Spaces (Unattended Property) Act 2021* in Parliament which provides councils with stronger powers and penalties to rid public spaces of unattended property, putting the onus on those responsible to manage their items and animals within risk-based timeframes or face strong enforcement action.
- reactivation of the Local Government Emergency Recovery Support Group, which offers peer to peer support for disaster-affected councils.
- progressing and implementing the *Local Government Amendment Act 2021*, including reforms to ensure a fairer and more flexible rating system for councils and ratepayers, reforms to councillor superannuation, and minor changes relating to council elections and the terms of office of chairs of county councils and joint organisations.
- undertaking a review of the Joint Organisation (JO) framework to evaluate its effectiveness and ensure that JOs can deliver their core functions, with an inter-agency forum involving state agencies established to take the recommendations of the review forward.
- implementing reforms to modernise and improve local government elections, including amendments to the *Local Government (General) Regulation 2021* to support the NSW Electoral Commission's COVID mitigation strategy for the 2021 council elections.
- introducing a new mandatory risk management and internal audit framework for NSW councils to be implemented from 2022 onwards.

Through the Office of Local Government (OLG), the NSW Government also progressed other reforms by:

- implementation of the findings of the review of Joint Organisations completed in 2021
- commencing consultation on the review of the Local Government Boundaries Commission
- progressing a business case on potential governance options for Central Darling Shire Council

- securing IPART's agreement to enable the OLG to provide guidance to councils on setting Domestic Waste Management charges
- securing Digital Restart Funding to deliver the Smart Beaches Program, an initiative of the Office of Local Government and Coastal Safety Group using technology to improve the quantity and quality of data available to support risk assessments and allow lifeguards to focus on their primary role of protecting public safety
- development of a Model Social Media Policy and Model Councillor and Staff Interaction Policy
- update of the recruitment of senior council executives Guidelines to support sound recruitment processes
- progressing a review of the tendering provisions of the Local Government (General) Regulation 2021 to identify possible amendments to support councils in making better use of technology when tendering to achieve greater efficiencies
- commencing an independent review of the framework for dealing with councillor misconduct in NSW
- progressing animal rehoming reforms including the release of new *Guidelines for Designated Rehoming Organisations*
- improving local council meeting practice through the release of the *Model Code of Meeting Practice for Local Councils in NSW* to allow attendance at meetings by audio-visual link
- providing updated guidance to councils on the appointment and dismissal of senior staff (other than the general manager), informed by recommendations of the Independent Commission Against Corruption (ICAC)
- commencing a review of general manager and senior staff remuneration.

Initiatives undertaken and services provided by local government to Aboriginal and Torres Strait Islander communities for 2021–22

Integrated Planning and Reporting

NSW councils are required to prepare Integrated Planning and Reporting (IP&R) plans to facilitate strategic planning and delivery of council services to best meet community needs.

The IP&R framework allows councils and communities to respond flexibly to local need and includes a requirement for a community strategic plan to be developed in consultation with groups in the local community and based on principles of social justice.

As part of this process, councils must develop a Community Engagement Strategy which includes how they will engage with hard-to-reach groups. The strategy should ensure that all groups, including Aboriginal and Torres Strait Islander people, have an opportunity to be heard. In this way IP&R helps councils to work in partnership with the NSW Government and others to improve outcomes for Aboriginal and Torres Strait Islander people in NSW.

Roads to Home Program

Part of the NSW Planning cluster, the Roads to Home project partners with Aboriginal communities across NSW to improve quality of life and economic opportunities.

The program does this by taking a coordinated and cooperative approach to improving infrastructure, and to providing training and employment opportunities.

The program respects the rights of local landholders and empowers Aboriginal communities to make decisions about how and if their land is used to provide infrastructure. The program works with communities to upgrade infrastructure and roads.

This leads to improvements in services like:

- household waste collection
- postal delivery
- emergency vehicles
- community transport.

The program also assists with long-term solutions to infrastructure maintenance in partner communities.

Aboriginal communities are provided with the option of transitioning management of upgraded infrastructure to local government.

The OLG is working with the Roads to Home team and local councils to ensure that this important work can be supported by all stakeholders and that councils are in a position to partner with other parties to deliver positive outcomes for Aboriginal communities.

Closing the Gap

Local Government plays an important role in supporting the priority reform areas identified as part of a new National Agreement on Closing the Gap.

The Office of Local Government (OLG) has worked closely with Aboriginal Affairs NSW at an Officer Level Working Group to explore innovative approaches that will contribute to closing the gap.

In late 2021 the OLG worked with Aboriginal Affairs NSW and Local Government NSW to develop a Closing the Gap Integrated Planning and Reporting (IP&R) template factsheet for councils. The template fact sheet guides councils on how they could incorporate activities contributing to priority reforms in the development of their community strategic plans and throughout their IP&R process.

The template fact sheet has been pre-populated with examples of current activities by a range of councils working with their Aboriginal communities and demonstrating a best practice to these priority reforms.

Tamworth Regional Council has become the first NSW council to adopt a Closing the Gap Strategy and the OLG is working with them to develop a business case to support other councils to do the same.

Councillor Diversity Program

In July 2021, the OLG engaged an Aboriginal consultancy to work with current First Nations councillors to identify short and longer-term strategies to increase the number of First Nations councillors in NSW.

The report highlighted that while First Nations councillors in NSW had diverse personal experiences, future councillors would benefit from early targeted development of young First Nations people with leadership potential in areas such as governance, resilience, mentoring and peer learning.

The OLG is committed to addressing longer-term strategies, as identified by First Nations councillors in the report in consultation with relevant areas of the Department of Planning and Environment and other Government agencies.

The OLG anticipates that these strategies, when implemented, will also increase Aboriginal employment in local government. The 2021 local government elections saw an increase in First Nations councillors. We are currently analysing candidate data from the 2021 local government election. This data will assist us in refining and building on our activities towards increasing the participation on First Nations people in local government in NSW.

Report from the Victorian Government

Methodology: 2021–22 grant allocation

The Victorian Local Government Grants Commission determines the allocation of financial assistance grants (general purpose and local roads grants) in accordance with the National Principles formulated under the *Local Government (Financial Assistance) Act 1995 (Cth)*.

Methodology for general purpose grants

The Victorian Local Government Grants Commission's methodology for recommending general purpose grants considers each council's assessed relative expenditure needs and relative capacity to raise revenue.

For each council, a raw grant is obtained which is calculated by subtracting the council's standardised revenue from its standardised expenditure.

The available general-purpose grants pool is then allocated in proportion to each council's raw grant, considering the requirement in the Commonwealth legislation and associated national distribution principles to provide a minimum grant to each council. Increases and decreases in general purpose grant outcomes may be limited in movement which, in turn, affects the relationship between raw grants and actual grants.

Specific grants are allocated to a small number of councils each year in the form of natural disaster assistance. These grants are funded from the general-purpose grants pool and so reduce the amount allocated on a formula basis.

Standardised expenditure

Under the Commission's general purpose grants methodology, *standardised expenditure* is calculated for each council on the basis of 9 expenditure functions. Between them, these expenditure functions include all council recurrent expenditure.

The structure of the model ensures that the gross standardised expenditure for each function equals aggregate actual expenditure by councils, thus ensuring that the relative importance of each of the 9 expenditure functions in the Commission's model matches the pattern of actual council expenditure.

The total recurrent expenditure across all Victorian councils in 2019–20 equalled \$9.396 billion. Under the Commission's methodology, the gross standardised expenditure in the allocation model for 2021–22 therefore also equalled \$9.396 billion, with each of the 9 expenditure functions assuming the same share of both actual expenditure and standardised expenditure.

For each function, with the exception of Local Roads and Bridges, *gross standardised expenditure* is obtained by multiplying the relevant major cost driver by:

- the average Victorian council expenditure on that function, per unit of need; and
- a composite cost adjustor which takes account of factors that make service provision cost more or less for individual councils than the state average.

Major cost drivers ('units of need')

The major cost drivers and average expenditures per unit for each expenditure function, with the exception of Local Roads and Bridges, are shown here:

- **Governance** function uses the major cost driver **Modified Population** and average expenditure per unit of **\$65.78**.
- **Family and Community Services** function uses the major cost driver **Population** and average expenditure per unit of **\$138.84**.
- **Aged and Disabled Services** function uses the major cost driver **Population greater than 60 years of age plus disability pensioners plus Carer Allowance recipients** and average expenditure per unit of **\$330.49**.
- **Recreation and Culture** function uses the major cost driver **Modified Population** and average expenditure per unit of **\$327.28**.
- **Waste Management** function uses the major cost driver **Number of Dwellings** and average expenditure per unit of **\$437.19**.
- **Traffic and Street Management** function uses the major cost driver **Modified Population** and average expenditure per unit of **\$143.35**.
- **Environment** function uses the major cost driver **Modified Population** and average expenditure per unit of **\$79.38**.
- **Business and Economic Services** function uses the major cost driver **Modified Population** and average expenditure per unit of **\$129.36**.

For 5 expenditure functions, a modified population is used as the major cost driver to recognise the fixed costs associated with certain functional areas.

The major cost drivers used in assessing relative expenditure needs for these functions take account of high rates of vacant dwellings at the time the census is taken. Councils with a vacancy rate above the state average are assumed to have a population higher than the census-based estimate:

- For the Governance expenditure function, actual populations are adjusted upwards to reflect 50 per cent of above average rates of vacant dwellings on census night and councils with a population of less than 20,000 are deemed to have a population of 20,000.
- For the Environment, and Business and Economic Services, functions, actual populations are adjusted upwards to reflect 50 per cent of above average rates of vacant dwellings on census night. Councils with a population of less than 15,000 are deemed to have a population of 15,000.
- For the Recreation and Culture, and Traffic and Street Management, functions, actual populations are adjusted upwards to reflect 50 per cent of above average rates of vacant dwellings on census night.

Cost adjusters

A number of cost adjusters are used in various combinations against each function. These allow the Commission to take account of the particular characteristics of individual councils which impact the cost of service provision on a comparable basis. Each cost adjuster has been based around a state weighted average of 1.00 with a ratio of 1 to 2 between the minimum and maximum values, to ensure that the relative importance of each expenditure function in the model is maintained.

The 12 cost adjustors used in the calculation of the 2021–22 general purpose grants are:

- aged pensioners
- economies of scale
- environmental risk
- Indigenous population
- language
- population dispersion
- population growth
- population less than 6 years
- regional significance
- remoteness
- socio-economic
- tourism.

Some factors represented by cost adjustors impact more on costs than others. Different weightings have been used for the cost adjustors applied to each expenditure function.

Net standardised expenditure

Net standardised expenditure has been obtained for each function by subtracting standardised grant support (calculated on an average per unit basis) from gross standardised expenditure. This ensures that other grant support is treated on an 'inclusion' basis.

Average grant revenue on a per unit basis is shown here:

- **Governance** function uses the major cost driver **Modified Population** and average grant per unit of **\$2.65**.
- **Family and Community Services** function uses the major cost driver **Population** and average grant per unit of **\$39.90**.
- **Aged and Disabled Services** function uses the major cost driver **Population greater than 60 years of age plus disability pensioners plus Carer Allowance recipients** and average grant per unit of **\$154.04**.
- **Recreation and Culture** function uses the major cost driver **Modified Population** and average grant per unit of **\$6.14**.
- **Waste Management** function uses the major cost driver **Number of Dwellings** and average grant per unit of **\$1.00**.
- **Traffic and Street Management** function uses the major cost driver **Modified Population** and average grant per unit of **\$3.82**.
- **Environment** function uses the major cost driver **Modified Population** and average grant per unit of **\$1.08**.
- **Business and Economic Services** function uses the major cost driver **Modified Population** and average grant per unit of **\$1.17**.

Net standardised expenditure (for each function)

In Victoria, for each expenditure function and for each council, net standardised expenditure equals gross standardised expenditure minus standardised grant revenue. The inputs into gross standardised expenditure are: the major cost driver, average expenditure per unit and cost adjusters. The inputs into standardised grant revenue are: the major cost driver and average grant revenue per unit.

Standardised expenditure for the Local Roads and Bridges expenditure function within the general purpose grants model is based on the grant outcomes for each council under the Commission's local roads grants model. This incorporates a number of cost modifiers (similar to cost adjusters) to take account of differences between councils.

Net standardised expenditure for this function for each council is calculated by subtracting other grant support (based on actual identified local roads grants and a proportion of Roads to Recovery grants) from gross standardised expenditure.

The total standardised expenditure for each council is the sum of the standardised expenditure calculated for each of the 9 expenditure functions.

Standardised revenue

A council's *standardised revenue* is intended to reflect its capacity to raise revenue from its community. Relative capacity to raise rate revenue, or standardised rate revenue, is calculated for each council by multiplying its valuation base (on a capital improved value basis) by the average rate across all Victorian councils over three years. The payments in lieu of rates received by some councils for major facilities such as power generating plants and airports have been added to their standardised revenue to ensure that all councils are treated on an equitable basis. Rate revenue raising capacity is calculated separately for each of the three major property classes (residential, commercial/industrial/other and farm) using a 4-year average of valuation data.

The derivation of the average rates for each of the property classes is shown here:

- **Residential** – average valuations of **\$1,731.717b** and rate revenue of **\$4.657b** with a statewide average rate of **\$0.00269**
- **Commercial/Industrial/Other** – average valuations of **\$295.081b** with a statewide rate revenue of **\$0.992b** with average rate of **\$0.00336**
- **Farm** – average valuations of **\$87.830b** and rate revenue of **\$0.310b** with a statewide average rate of **\$0.00352**.

The Commission constrains increases in each council's assessed revenue capacity to improve stability in grant outcomes. The constraint for each council has been set at the statewide average increase in standardised revenue adjusted by the council's own rate of population growth to reflect growth in the property base.

A council's relative capacity to raise revenue from user fees and charges, or standardised fees and charges revenue, also forms part of the calculation of standardised revenue.

For each council, for each of the 9 functional areas, the relevant driver (such as population) is multiplied by the adjusted state median revenue from user fees and charges (adjusted to remove the skewing effect of large outliers in the data). For some functions, this is then modified by a series of revenue adjusters to take account of differences between municipalities in their capacity to generate fees and charges, due to their characteristics.

To smooth out the impact of fluctuations in councils' financial data resulting from COVID-19, the Commission adopted a 3-year average of actual fees and charges revenue in calculating relative revenue raising capacity for the 2021–22 allocations.

The standard fees and charges used for each function are shown here:

- **Governance** function with standard fees and charges per unit of **\$16.59**
- **Family and Community Services** function with standard fees and charges per unit of **\$8.83**
- **Aged and Disabled Services** function with standard fees and charges per unit of **\$33.38**
- **Recreation and Culture** function with standard fees and charges per unit of **\$19.96**
- **Waste Management** function with standard fees and charges per unit of **\$33.28**
- **Traffic and Street Management** function with standard fees and charges per unit of **\$8.18**
- **Environment** function with standard fees and charges per unit of **\$1.06**
- **Business and Economic Services** function with standard fees and charges per unit of **\$40.19**
- **Local Roads and Bridges** function with standard fees and charges per unit of **\$2.12**.

The assessed capacity to generate user fees and charges for each council is added to its standardised rate revenue to produce total standardised revenue.

Methodology changes for 2021–22 from that used in 2020–21

The Commission has a continuous process of reviewing and adjusting its allocation methodology in consultation with councils.

Prior to determining its recommendations for the 2021–22 allocations, the Commission reviewed several key aspects of the formula, but did not make any significant alterations to the underlying methodology.

- With the introduction of rate capping in 2017, the Commission altered its calculation of rate revenue raising capacity at that time to reflect a 4-year average of valuation and rates data, rather than the previous 3 years. With all valuations and rates data in the model now fully reflecting the rate capping environment, the Commission has reverted to the use of a 3-year average for the 2021–22 allocations.
- In relation to expenditure and revenue data from councils, several technical adjustments were made to the allocation model to smooth out the impact of fluctuations in councils' financial data resulting from COVID-19. This includes the adoption of a 3-year average of actual fees and charges revenue in calculating relative revenue raising capacity.

Minimum grants

The available general purpose grants pool for Victorian councils represents, on average, \$70.39 per head of population (using ABS population estimates as at 30 June 2020).

The minimum grant national distribution principle requires that no council may receive a general purpose grant that is less than 30 per cent of the per capita average (or \$21.43 for 2021–22).

Without the application of this principle, general purpose grants for 2021–22 for 16 councils – Banyule, Bayside, Boroondara, Darebin, Glen Eira, Hobsons Bay, Kingston, Manningham, Melbourne, Monash, Moreland, Moonee Valley, Port Phillip, Stonnington, Whitehorse and Yarra – would have been below the \$21.43 per capita level. The minimum grant principle has resulted in the general purpose grants to these councils being increased to that level.

If grant movements were not constrained by the Commission, Maribyrnong and Mornington Peninsula would also receive the minimum grant in 2021–22. However, as the Commission recommended that no council should receive a lower general purpose grant than in 2020–21, the recommended actual grant outcome for both Maribyrnong and Mornington Peninsula will remain slightly above the minimum grant level in 2021–22.

Limits to grant movements

The Commission recommended that limits be applied to movements in general purpose grant.

For 2021–22, it was recommended that no council receive a grant increase of more than 7.5 per cent and that no council receive a grant decrease.

Natural disaster assistance

The Commission provides funds, from the general purpose grant pool, to councils which have incurred expenditure resulting from natural disasters. Grants of up to \$35,000 per council per eligible event are provided to assist with repairs and restoration work.

For 2021–22, the 7 councils referred to in Table 21 received funds totalling \$337,610 relating to 12 natural disaster events.

Table 21 Victorian natural disaster assistance grants to councils for 2021–22

Recipient council	Type of disaster	Amount (in dollars)
Alpine (Shire)	Floods and Storms	\$29,111
Baw Baw (Shire)	Storms (3)	\$84,270
Buloke (Shire)	Floods and Storms	\$35,000
East Gippsland (Shire)	Bushfires	\$35,000
Moira (Shire)	Floods and Storms	\$13,234
South Gippsland (Shire)	Storms & Bushfires and Storms & Floods (3)	\$105,995
Wangaratta (Rural City)	Storms and Floods	\$35,000
Total	Various	\$337,610

Methodology for local roads grants

The Commission's methodology for allocating local roads grants is based on each council's road length (for all surface types) and traffic volumes, using average annual preservation costs for given traffic volume ranges. The methodology also includes a series of cost modifiers for freight loading, climate, materials, sub-grade conditions and strategic routes and takes account of the deck area of bridges on local roads.

This formula is designed to reflect the relative needs of Victorian councils in relation to local roads funding in accordance with the National Principle relating to the allocation of local roads funding.

Road and traffic volume data

The allocation of local roads grants for 2021–22 was based on road length and traffic volume data reported by all councils for the 12 months to June 2020.

Similar to previous years, councils were asked to categorise their local road networks according to 9 broad traffic volume ranges – 4 for urban roads and 5 for rural roads.

Victorian councils reported a total of 132,629 kilometres of local roads as at 30 June 2020, an increase of 209 kilometres, or 0.2 per cent more than the length reported 12 months earlier.

Where significant changes were made to the data previously provided, councils were asked to verify those data changes and, in some instances, provide additional supporting documentation.

Variations to changes in road length reported by councils ranged from:

- Increase of more than 5.0 per cent – reported by 1 council
- Increase of 1.0 per cent to 5.0 per cent – reported by 8 councils
- Increase of up to 1.0 per cent – reported by 26 councils
- No change – reported by 35 councils
- Decrease – reported by 9 councils.

Asset preservation costs

Average annual preservation costs for each traffic volume range are used in the allocation model to reflect the cost of local road maintenance and renewal.

The asset preservation costs used in the 2021–22 allocations were unchanged from the previous year and are shown in Table 22.

Table 22 Victorian asset preservation costs

Local road type	Daily traffic volume range	Annual asset preservation cost (in dollars per km)
Urban	Less than 500	\$7,200
Urban	500 to less than 1,000	\$9,800
Urban	1,000 to less than 5,000	\$13,200
Urban	5,000 +	\$21,400
Rural	Natural Surface	\$700
Rural	Less than 100	\$5,000
Rural	100 to less than 500	\$10,400
Rural	500 to less than 1,000	\$11,600
Rural	1,000 +	\$13,200
Timber bridge	Not applicable	\$200 per square metre
Concrete bridge	Not applicable	\$120 per square metre

Cost modifiers

The Commission's formula for making recommendations for the local roads grants is designed to reflect the relative needs of Victorian councils in relation to local roads funding in accordance with the National Principle relating to the allocation of local roads funding.

The allocation model uses a series of 5 cost modifiers to reflect differences in circumstances between councils in relation to:

- the relative volume of freight carried on local roads in each council
- climate
- the availability of road-making materials
- sub-grade conditions
- strategic routes.

Cost modifiers are applied to the average annual preservation costs for each traffic volume range for each council to reflect the level of need of the council relative to others. Relatively high cost modifiers add to the network cost calculated for each council, and so increase its local roads grant outcome.

Grant calculation

The Commission calculates a total network cost for each council's local roads. This represents the relative annual costs faced by the council in maintaining its local road and bridge networks, based on average annual preservation costs and taking account of local conditions, using cost modifiers.

The network cost is calculated using traffic volume data for each council, standard asset preservation costs for each traffic volume range and cost modifiers for freight carriage, climate, materials availability, sub-grade conditions and strategic route lengths. The deck area of bridges on local roads is included in the network cost at a rate of \$120 per square metre for concrete bridges and \$200 per square metre for timber bridges.

The calculation of the network cost for each traffic volume range is calculated using the following formula:

Network cost = length of local roads in the range category, multiplied by the asset preservation cost for the range category, multiplied by the overall cost modifier

where the overall cost modifier is calculated by multiplying together the cost modifiers for freight, climate, materials, reactive sub-grades and strategic routes.

The actual local roads grant is then calculated by applying the available funds in proportion to each council's calculated network cost.

Limits to grant movements

The Commission recommended limits be applied to movements in local roads grant outcomes. For 2021–22, it was recommended that no council receive a grant decrease.

Long-term financial planning

Victorian councils have significant economic responsibilities as they collectively own and manage community assets and infrastructure worth in excess of \$127 billion. Robust asset management practices and responsible strategic financial planning are therefore required to ensure councils maintain and renew these long-lived assets appropriately to remain financially sustainable over the long-term.

The *Local Government Act 2020* introduced legislative requirements for all Victorian councils to develop and adopt a 10-year Financial Plan and a 10-year Asset Plan. Both plans must be subject to community engagement, including deliberative engagement practices. An extensive program of co-design was delivered to support councils in the development of their financial and asset plans. Working groups made up of sector representatives from across local government developed guidance in relation to both the Financial and Asset Plans.

Comparative performance measures

In 2021, the Local Government Performance Reporting Framework (LGPRF) collected its seventh year of sector performance data from all Victorian councils. Established in November 2015 and launched by the Minister for Local Government, the framework and the related Know Your Council website ([Know Your Council | vic.gov.au](https://www.vic.gov.au) (www.vic.gov.au)) are designed to improve council transparency and accountability through enabling the community to access and compare council performance.

The website, supported by Victoria's LGPRF, requires all Victorian councils to annually collect and report their data against 58 performance indicators across 11 different service areas, including finance, roads, waste collection and libraries. The framework also includes a checklist of 24 items considered essential for supporting good governance and management in local government.

On 6 December 2021, the 2020–21 data was released publicly with 5,200 users visiting the site in the first 72 hours. As well as comparing councils, users can view trend data in addition to reading commentary from council explaining the context of their performance results.

The Know Your Council website has shown to be a popular resource across a varied audience, including:

- several other jurisdictions around Australia and overseas, who have shown interest in developing a similar resource
- media outlets, using the data and council commentary for news articles
- the public with over 2.5 million users visiting the site since it was launched.

In March 2022, after consultation with the sector, the Victorian Government commenced the process for amending the performance reporting regulations to introduce the requirement for councils to set targets against selected key performance measures. These targets will take effect for the 2023–24 reporting year.

Sector reforms

Councils and Emergencies Project – Phase 3

The Councils and Emergencies Project (the project) was a multi-year, 3-phased project to enhance the emergency management capability and capacity of local government to meet their emergency management obligations. It provided a unique opportunity for local government and the sector to evaluate and address areas for improvement in their emergency management capability and capacity.

The project aligned with Priority 4 of the Victorian Emergency Management Strategic Action Plan (SAP) 2019–2022, which sought to address the following challenge:

Workforces across the sector have variable levels of capacity and capability as well as different organisational cultures and values. A more consistent, collaborative, integrated and innovative approach towards workforce management and services is needed.

The project had previously completed 2 phases.

- Phase 1 published a position paper in 2017 describing councils' emergency management responsibilities and activities.
- Phase 2 established a baseline understanding of councils' emergency management capability and capacity, relative to the requirements and risk profile of each of Victoria's 79 municipalities. This culminated in the Councils and Emergency Capability and Capacity Evaluation Report.

The project provided a unique opportunity for local governments and the sector to evaluate and address areas for improvement in their emergency management capability and capacity.

With 59 per cent of councils self-identifying as being below their target maturity in Phase 2, the focus of Phase 3 was on the development of strategies and actions to increase the capability and capacity required to fulfil their critical on-the-ground role in emergency management.

As part of Phase 3, the project undertook extensive consultation with councils and agencies with the objective of:

- confirming capability and capacity issues identified in Phase 2
- generating actions/projects that could address these capability and capacity issues and areas for improvement
- ensuring that councils, as critical stakeholders, feel that their perspectives have been heard and that the diversity of their contexts and perspectives are recognised
- supporting councils to better understand how this project will support them to deliver their emergency management responsibilities.

This confirmed many of the capability and capacity issues identified during Phase 2, culminating with the Councils and Emergencies Phase Three Regional Consultation Report. The report has informed the development of actions, resulting in the closure of Priority 4 of the SAP 2019–2022, and targeting enhancements to councils' emergency management capability and capacity.

Rural Councils Transformation Project

The Victorian Government's December 2017 *Rural and Regional Councils Sustainability Reform Program* report found that rural and regional councils face greater financial and operational sustainability challenges than metropolitan councils.

Following this report, the Victorian Government committed \$20 million in the 2018–19 Victorian State Budget to the Rural Councils Transformation Program (RCTP). The program aims to improve rural and regional councils' financial sustainability by:

- achieving economies of scale through regional service delivery or collaborative procurement
- promoting more efficient and improved service delivery through collaboration and innovation
- facilitating benefits for rural and regional communities, prioritising rural communities
- demonstrating potential efficiencies to be gained through regional service delivery.

Over 2 rounds of funding totalling \$16.43 million, the RCTP has sought to help 31 rural and regional councils meet their financial and operational challenges through incentivising the implementation of regional service delivery and shared services. This has included joined-up service delivery of corporate services, procurement and asset management. The adoption of regional service delivery models can help to achieve greater service benefits for rural communities through increased collaboration across councils and the delivery of greater efficiencies.

Supporting councils to adapt to new ways of operating is a shared effort with the sector and is key to increasing the long-term sustainability of rural and regional councils.

Local Government Culture Project

In 2021, the Minister for Local Government launched the Local Government Culture Project to understand the factors influencing culture and conduct within local government and identify opportunities and initiatives to improve culture and conduct.

A discussion paper was produced, based on research, academic expertise and preliminary input from key stakeholders from the local government sector, and released on 17 December 2021. The discussion paper put forward three key themes:

- leadership experience and capability
- councillor journey
- early intervention and effective dispute resolution.

One hundred and forty-two submissions were received on the discussion paper from peak bodies, councils, mayors, councillors, CEOs, council staff, former councillors, other organisations and members of the public.

An Insights Report released in 2022 was based on the feedback in these submissions. It is now available at <https://www.localgovernment.vic.gov.au/council-governance/local-government-culture-project>. The Report will support the local government sector in determining its next steps and agreed actions to address the issues raised throughout the report. A sector-wide approach to implementing these actions is crucial to achieving a safer, more diverse and representative local government sector.

Training and development

Mandatory candidate training was introduced for the first time before the 2020 local government general elections. It was designed to assist potential candidates in understanding the councillor role when deciding whether to nominate at an election. Under the framework, all training was proposed to be conducted in person by councils and the state. However, due to restrictions imposed as result of the COVID-19 pandemic during 2020, all candidate training for the 2020 general elections was instead conducted online by the state. These arrangements proved successful, and in 2021 amendments were made to the Local Government (Electoral) Regulations 2020 to formalise these arrangements so that the state became the sole provider of the online training for future elections. Additional provisions were also included as part of these amendments to further streamline access and improve the integrity of the training framework. These provisions include:

- Training can be accessed at any time, not just in the 2-month lead-up to the close of candidate nominations.
- Training may be delivered by another means if the candidate is unable to undertake it online.

Further, provisions were introduced to the Local Government (Electoral) Regulations 2020 and the City of Melbourne Regulations 2022. These replaced temporary provisions in response to the COVID-19 pandemic, that enable the conduct of elections where pandemic orders are in place under the *Public Health and Wellbeing Act 2008*. Under these new provisions:

- Election candidates are permitted to nominate online or by other means, instead of in person, if necessary due to a pandemic order.
- Limitations can be placed on scrutineer numbers at election activities to ensure compliance with a pandemic order.

Legislative reforms were made in 2022 to the *Local Government Act 2020* and a Ministerial Guideline was developed. This was done to permanently enable councils and regional libraries to conduct meetings by electronic means of communication, including enabling meetings to be live streamed. These measures provide ongoing flexibility by enabling these bodies to meet virtually at their discretion. They also facilitate ongoing participation from regional, remote or mobility-challenged individuals, or those with care responsibilities, in line with the direction taken by many other workplaces in modernising the way people work.

Diversity and inclusion

Diversity in decision-making bodies leads to better decisions. As the level of government closest to communities, it is vital councils reflect the people they serve to ensure the delivery of accessible and appropriate services. In 2021–22, Local Government Victoria supported a range of initiatives to improve diversity and inclusivity in Victoria's local governments, thereby improving service delivery. More specifically, Local Government Victoria:

- continued to support the Gender Equality Advisory Committee's work to provide research-based advice to the Minister for Local Government and the Minister for Women to improve gender-based outcomes in local government.
- launched the Victorian Aboriginal and Local Government Strategy to support local governments to deliver culturally appropriate services to Aboriginal and Torres Strait Islander peoples in their communities.

- supported the Rainbow Local Government Conference delivered by the Victorian Pride Lobby to promote the efforts of local governments to foster a culture that is inclusive, responsive, and accessible to LGBTIQ+ Victorians.
- supported the 2022 LGPro Annual Conference delivered by Local Government Professionals Incorporated (LGPro) to support local government employees to discuss best practice in local government, with a focus on diversity and inclusivity in councils.
- supported the Emerging Leaders Program and the Executive Leaders Program delivered by LGPro. The programs support local government staff who aspire to positions of leadership, and executives to move into more senior roles, by developing and enhancing leadership skills. Local Government Victoria's funding was used to target participation from under-represented small rural councils and women.
- continued the Women Building Surveyors Program to enable 40 women to become building surveyors in councils across Victoria.
- launched the Women Leading Locally (WLL) program and commenced the program's first intake of 60 women. The program gives participants the inspiration, knowledge, and skills to succeed in local leadership roles. This program focussed on how women candidates can campaign in the 2024 local government elections. WLL will drive greater representation of diverse women in the 2024 local government elections and support the Victorian Government's target of 50 per cent women councillors and mayors by 2025.
- prepared for the Advancing Women's Leadership Summit to be hosted in September 2022. The Summit will include delegates from Victoria's local governments, peak bodies and organisations with a commitment to improve diversity. Participants will engage in a series of innovative and interactive discussions aimed at driving gender equality and diversity in Victorian local government elected representatives by 2025.

Aboriginal and Torres Strait Islander community initiatives

The Victorian Aboriginal and Local Government Strategy 2021–2026 launched on 21 March 2022. The Strategy recommends actions for local governments, the Victorian Government and Aboriginal communities that progress Aboriginal self-determination and reconciliation. The Strategy serves as a practical guide for councils across Victoria and will help embed the voices and priorities of Aboriginal communities at a local government level. The finalisation of the Strategy was a named Action in Victoria's *Closing the Gap Implementation Plan*.

The Strategy has been informed by a strong consultation process of 20 months with guidance from a Steering Committee consisting of stakeholder organisations, local government representatives and members of the Aboriginal community in addition to consultation with Traditional Owner groups, local governments and peak bodies.

To support the release of the Strategy, the Minister for Local Government has issued a Ministerial Good Practice Guideline under the *Local Government Act 2020*. Accompanying the new Guideline, general Guidance has been developed to support councils with implementation of the Guideline and Strategy. This initiative was also a named Action in Victoria's *Closing the Gap Implementation Plan*.

The Ministerial Good Practice Guideline has been issued to assist councils when engaging with Traditional Owners, Aboriginal organisations and communities by providing a step-by-step guide for councils on how to identify, engage and build connections and develop mutually beneficial relationships.

To support implementation of the Strategy, the Victorian Government has allocated \$350,000 in the 2022–23 State Budget to strengthen engagement between Aboriginal organisations and local councils while supporting pathways to self-determination for Aboriginal Victorians.

During 2021–22, Local Government Victoria has continued to:

- support the Maggolee website as a platform that promotes good practice in local government and Aboriginal community partnerships
- improve local government and Traditional Owner engagement strategies of current and future Recognition and Settlement Agreements.

Report from the Queensland Government

Queensland method for distributing the Financial Assistance Grant for 2021–22

Local roads component

This component of the Financial Assistance Grant is allocated as far as practicable on the basis of the relative need of each local government for roads expenditure and to preserve its road assets.

In the opinion of the Commission, a formula based on road length and population best meets this National Principle for Queensland. This formula is:

- 62.85 per cent of the pool is allocated according to road length
- 37.15 per cent of the pool is allocated according to population.

General purpose component

A new methodology was implemented for the general purpose grant (GPG) in 2011–12 and has continued to be used since then. The methodology complies with the National Principles and there were no changes made for the 2021–22 grant allocation.

As in previous years, every local governing body in Queensland is entitled to a minimum grant under the National Principles. This minimum grant is equivalent to a per capita distribution of 30 per cent of the GPG pool. In 2021–22, this amount equated to \$21.58 per capita. The remaining 70 per cent of the GPG pool is distributed based on relative need, according to the National Principles.

To determine relative need, the methodology derives averages for revenue raising and expenditure on service provision to be applied to all local governments within the state. Since 2013–14, data has been collected from all Indigenous councils, resulting in a more complete dataset and more accurate averages.

After the application of these averages, the Commission uses various cost adjustors which allow for factors, outside a council's control, that affect its ability to raise revenue or provide services, again in keeping with the National Principles.

Assessing revenue

The Commission uses the revenue categories of:

- rates
- other grants and subsidies (as per the National Principles)
- garbage charges
- fees and charges.

Rate revenue assessment

The rating assessment has remained as follows: the total state rate revenue is divided by the total state land valuation to derive a cent-in-the-dollar average, which is then multiplied by each council's total land valuation. Both the state total and individual council valuation figures are averaged over 5 years.

Figure 8 Queensland rating assessment

$$\frac{\text{State total rate revenue}}{\text{State total valuation (5-year average)}} = \frac{\text{Council total land valuation (5-year average)}}{\text{Council's assessed rate revenue}}$$

This is then adjusted to allow for each council's capacity to raise rates, using an Australian Bureau of Statistics product, the Socio-Economic Indexes For Areas (SEIFA). The methodology uses 3 of the indices, namely:

- Index of Relative Socio-Economic Advantage and Disadvantage (SEIFA 2)
- Index of Economic Resources (SEIFA 3)
- Index of Education and Occupation (SEIFA 4).

Because Indigenous councils do not generally levy rates, 20 per cent of their Queensland Government Financial Aid allocation is used as a proxy for rate revenue.

All other revenue assessment

Fees and charges are averaged on a per capita basis. Garbage revenue is averaged on the basis of the number of residential properties serviced for each local governing body.

In accordance with the National Principle for Other Grant Support, grants relevant to the expenditure categories considered by the Commission are included as revenue according to the actual amounts received by council. Three grants are included by the Commission, as follows:

- previous year's Local Roads Component (50 per cent)
- Queensland Government Financial Aid (Indigenous councils only – 20 per cent)
- minimum grant component of previous year's GPG (100 per cent).

Revenue assessment model

Table 23 provides summary information on the drivers and units of measurement for each revenue category.

Table 23 Queensland revenue assessment model

Revenue category	Revenue driver(s)	Unit of measure (state average)
Rates	Total valuations	Average cent-in-the-dollar rates: \$0.007
Garbage charges	Residential properties	\$624 per residential property
Fees and charges	Population	\$449 per capita
Other grants	Actual grants received	Identified Road Grant (50 per cent used) Queensland Government Financial Aid (20 per cent) Minimum grant component of the GPG (100 per cent)

Assessing expenditure

With regard to the expenditure assessment, the Commission includes 9 service categories:

- Administration
- Public order and safety
- Education, health, welfare and housing

- Garbage and recycling
- Community amenities, recreation, culture and libraries
- Building control and town planning
- Business and industry development
- Roads
- Environment.

The Commission considers cost adjustors that are applied to service categories to allow for the differences in service delivery across the state. Further detail regarding key expenditure categories, units of measure and cost adjustors is provided in Table 24.

Table 24 Outline of expenditure assessment 2021–22

Service expenditure category	2021–22 unit of measure	Services cost adjustor for location (Yes/No)	Services cost adjustor for demography– Indigenous; age; Indigenous / age (Yes/No)	Services cost adjustor for scale (Yes/No)
Administration	Actual remuneration category + \$412 per capita + \$422 per property or \$137 per capita (for Indigenous councils)	Yes	No	Yes
Public order and safety	\$40 per capita	Yes	Yes	Yes
Education, health, welfare and housing	\$40 per capita	Yes	Yes	Yes
Garbage and recycling	\$448 per residential property or \$137 per capita (for Indigenous councils)	Yes	No	Yes
Community amenities, recreation, culture and libraries	\$243 per capita	Yes	Yes	Yes
Building control and town planning	\$190 per residential property or \$58 per capita (for Indigenous councils)	Yes	No	Yes
Business and industry development	\$56 per capita	Yes	No	Yes
Environment	\$116 per residential property or \$38 per capita (for Indigenous councils)	Yes	No	Yes
Roads	Road expenditure assessment (refer to text below)	Yes	No	Yes

Roads Expenditure

The Commission uses an asset preservation model to assess road expenditure, estimating the cost to maintain a council’s road network, including bridges and hydraulics. Table 25 provides the dollar values allocated on the basis of traffic volumes and the cost adjustors applied.

Table 25 Queensland road expenditure assessment model

Rural or Urban	Traffic volume range (in adjusted vehicles per day)	Base cost (in dollars per km)	Cost adjuster										
			Cost adjuster for climate – favourable (T.I. -50) (in %) + 100) (in %)	Cost adjuster for climate – adverse (T.I. -50) (in %)	Cost adjuster for soil sub-grade – good (CBR greater than 10) (in %)	Cost adjuster for soil sub-grade – poor (CBR less than 5) (in %)	Cost adjuster for soil sub-grade – M.R. Reactive (in %)	Cost adjuster for locality on-cost – less than 1.0p per sq km (in %)	Cost adjuster for locality on-cost – less than 0.1p per sq km (in %)	Cost adjuster for terrain – undulating (in %)	Cost adjuster for terrain – hilly (in %)	Cost adjuster for terrain – mountainous (in %)	
Rural	Uniformed	\$398	0%	25%	0%	0%	0%	0%	5%	10%	2%	5%	0%
Rural	Less than 40	\$797	0%	20%	0%	0%	0%	0%	5%	10%	2%	5%	0%
Rural	40 to 150	\$3,808	0%	20%	0%	10%	10%	10%	5%	10%	2%	5%	0%
Rural	150 to 250	\$6,921	-10%	15%	-5%	10%	10%	10%	2.5%	5%	2%	5%	10%
Rural	250 to 1,000	\$9,772	-7.5%	10%	-5%	10%	10%	10%	2.5%	2.5%	2%	5%	10%
Rural	1,000 to 3,000	\$12,373	-7.5%	10%	-5%	10%	10%	10%	2.5%	2.5%	2%	5%	10%
Rural	Greater than 3,000	\$17,041	-7.5%	10%	-5%	10%	10%	10%	2.5%	2.5%	2%	5%	10%
Urban	Less than 500	\$13,614	-7.5%	10%	-2.5%	5%	5%	5%	2.5%	2.5%	0%	2%	5%
Urban	500 to 1,000	\$21,172	-7.5%	10%	-2.5%	5%	5%	5%	2.5%	2.5%	0%	2%	5%
Urban	1,000 to 5,000	\$33,658	-7.5%	10%	-5%	10%	10%	10%	2.5%	2.5%	0%	2%	5%
Urban	5,000 to 10,000	\$61,049	-7.5%	10%	-5%	10%	10%	10%	2.5%	2.5%	0%	2%	5%
Urban	Greater than 10,000	\$104,340	-7.5%	10%	-5%	10%	10%	10%	2.5%	2.5%	0%	2%	5%

Legend: TI = Thornthwaite Index; CBR = California Bearing Ratio; M.R. = Main Roads

Allowances are given for heavy vehicles which increase the road usage, resulting in increasing a council's road expenditure amount. These are outlined in Table 26.

Table 26 Allowances given for heavy vehicles

Vehicle type	Equivalent number of vehicles
Car	1 vehicle
Light to medium trucks, 2 axles	3 vehicles
Heavy rigid and/or twin steer tandem	4 vehicles
Semi-trailers	5 vehicles
B doubles	6 vehicles
Road trains	8 vehicles

Table 27 Assessment amounts for other road structures

Bridges and hydraulics	Amount (in dollars)
Area of bridges (per square metre): timber	\$32
Area of bridges (per square metre): concrete	\$15
Area of bridges (per square metre): other	\$18
Number of minor culverts (less than 6 metres)	\$73
Number of major culverts (greater than 6 metres)	\$439
Area of floodways (per square metre)	\$0.61

Cost adjustors

Cost adjustors are indices applied to expenditure categories to account for factors outside a council's control that impact the cost of providing services to its community. The current methodology uses the following cost adjustors:

- Location – represents the additional costs in the provision of services related to the council location and is based on the Accessibility/Remoteness Index for Areas.
- Scale – recognises economies of scale and is based on a sliding scale from 1 to 2, with any council with a higher population than the average having a cost adjustor of 1 and the smallest council in Queensland with an adjustor of 2.
- Demography – represents the additional use of facilities and increased service requirements due to the composition of the population according to age and Indigenous descent. These are calculated on a sliding scale from 1 to 2 reflecting the proportion of residents who are Indigenous, aged, young and Indigenous people over 50 years of age.

Table 24 headed *Outline of expenditure assessment 2021–22*, identifies which cost adjustors are applied to the service categories.

Scaling back

The Commission again used an equal weighting of proportional and equalisation scaling to ensure that each council received an equitable allocation, as the aggregate assessed need exceeded the quantum of the available funding for 2021–22.

Application of the Minimum Grant Principle

In 2021–22, the Commission determined, on the basis of the methodology, that the following councils were to receive the minimum grant component of the GPG only:

- Brisbane City Council
- Cairns Regional Council
- Gold Coast City Council
- Ipswich City Council
- Logan City Council
- Moreton Bay Regional Council
- Noosa Shire Council
- Redland City Council
- Sunshine Coast Regional Council
- Townsville City Council.

Methodology changes for 2021–22 from that used in 2020–21

There were no changes made for the 2021–22 grant allocation.

Developments in the use of long-term financial and asset management plans

All Queensland local governments are required to have a long-term financial forecast covering a period of at least 10 years and must review their long-term financial forecast annually. To assist local governments to comply with this requirement, the Queensland Treasury Corporation has developed and maintains the Financial Forecast Tool (FFT). The FFT is available to all Queensland local governments and includes 5 years of historical data and 10 years of forecast information.

All Queensland local governments are required to prepare and adopt long-term asset management plans to ensure the sustainable management of council assets. These asset management plans are to be part of, and consistent with, the local government's long-term financial forecast.

In October 2016, the Auditor-General of Queensland tabled a report, on forecasting long-term sustainability of local government, containing recommendations for improvement. Individual local governments in Queensland continue to implement those recommendations where appropriate.

Actions to develop and implement comparative performance measures between local governing bodies

The provision of information by the Queensland Government to the community through the Queensland Local Government Comparative Information Report continued in 2021–22. This report assists local governments in their endeavours to develop new and more effective ways, to deliver their services, by providing an effective tool by which they can monitor trends over time and benchmark services performance both internally and with other councils.

Reforms undertaken during 2021–22 to improve the efficiency and effectiveness of local government service delivery

Asset Management Advancement Project

- The information gathering phase was in development. The project commenced in late 2021–22 and is projected to continue over 3 to 4 years.
- Asset management is one of the key foundations of a council's sustainability.
- With the rollout of a new local government sustainability framework, the department is looking to work hand in hand with the sector to invest in asset management capability improvements for the long-term, with a focus on those smaller and more remote councils which may be struggling to achieve the minimum level of capability needed to deliver defensible asset management plans and financial forecasts.
- The Asset Management Advancement Project will form part of the sustainability framework transition piece. A pilot survey is being sent to selected councils early in 2023, with a full survey rollout prior to 30 June 2023 to gauge sector maturity. This will inform asset management advancement activities and an associated program of work.

Financial Sustainability Training program delivered in partnership with the University of Queensland Business School and the Queensland Treasury Corporation

- The department, the Queensland Treasury Corporation (QTC) and the University of Queensland (UQ) have together guided the development of a Financial Sustainability Training program. Facilitated by the department, co-ordination is being managed by QTC with UQ developing new material on shared planning.
- Thirty-five workshops on service planning, asset management, business cases in practice and financial management in practice are being delivered in hubs with councils self-nominating and registering online through QTC's website. The service planning modules developed by UQ are new.

Governance Advisory Service

- The department funded the Local Government Managers Association of Queensland to engage a governance advisor to assist councils with the review, development and implementation of bespoke suites of policy documents. The Joint Reference Group overseeing this new service is delighted with progress and take up by councils. The service particularly supports those rural, remote and Indigenous councils experiencing resource issues that result in a lack of up-to-date policy documents well embedded in council practice.

Local Laws Database

A new database storing electronic copies of all current Queensland local government local laws was launched. New features include:

- the addition of historical local law records including amended and repealed local laws
- the display of resolution and gazettal dates
- links between a subordinate local law and its head of power local law
- improved keyword and title word search functions

- links to amended and repealed local laws and historical electronic versions of amended laws to provide a more complete view of a law's history for any new laws entered within the database.

LG Central

- LG Central is a new one-stop shop for councillors and council staff to access the many online resources the Department of State Development, Infrastructure, Local Government and Planning (DSDILGP) provides to support sustainable, capable and accountable councils. Previously these resources were stored on the DSDILGP's website and within the LG Learning Centre.
- We listened to feedback and LG Central, a new online portal, was developed to make our wide range of resources including policies, best practice guidelines, videos, checklists, templates and FAQs available to councillors and council staff in ways that are more accessible and easier to find.

Initiatives undertaken and services provided by local governments to Aboriginal and Torres Strait Islander communities

The Queensland Government continued to provide funding to Indigenous local governments to support the provision of local government services to their communities. In 2021–22, \$37.203 million was the funding pool for the State Government Financial Aid program for the state's 16 Indigenous councils. Each council received an allocation, in lieu of rates, to assist in the delivery of local government services such as community and town planning, urban storm water management, roads, environment and transport and water and sewerage.

Additionally, the Indigenous Councils Critical Infrastructure Program (ICCIP) is a \$120 million funding program that will deliver critical water, wastewater and solid waste infrastructure to Queensland's Indigenous councils. The aim of ICCIP is to support Indigenous councils to deliver projects and infrastructure works relating to critical water, wastewater and solid waste assets, and provide a basis for the long-term strategic management of essential assets. It is available to all Indigenous local governments.

Project work commenced in July 2021 on the Queensland Government's 2021–2024 Works for Queensland Program. This program supports 65 regional councils to undertake job-creating maintenance and minor infrastructure projects. The \$200 million 2021–2024 program was allocated to 65 councils with \$27.930 million being allocated to Queensland's 16 Indigenous councils. Delivery of projects under this round of funding continues through to 30 June 2024.

Other funding provided by the Queensland Government to Indigenous councils in 2021–22 included \$3.525 million under the Revenue Replacement Program and \$1.44 million under the Indigenous Economic Development Grant program.

Additionally, 14 priority infrastructure projects totalling \$14.604 million were approved for 10 Indigenous council areas under the 2022–2024 Local Government Grants and Subsidies program. These projects will be delivered progressively over the 2022–2024 financial years.

Report from the Local Government Association of Queensland (LGAQ)

Developments in the use of long-term financial and asset management plans

Queensland's 77 local governments are the first line of connection to communities – a pivotal position duly acknowledged by the Queensland Auditor-General's report into *Local government 2021*.

Queensland spend \$10 billion each year providing services to communities. Councils maintain more infrastructure than those in other states, including \$150 billion worth of community assets, 153,000 km of local roads, 53,000 hectares of parks and playgrounds, 2,800 bridges, and \$25 billion in water and wastewater assets including 314 water treatment plants and 76,000 kilometres of water and sewer mains.

In the past 10 years, the amount of money spent per capita by local governments has remained relatively static, despite an increase in population and demand for better public services.

We continue to do more with less, but we cannot maintain our financial sustainability and the livability of our communities without increased funding.

Liveability and sustainability go hand in hand. Financially sustainable councils are critical to ensure economic benefits flow to communities.

Every community contributes to the economic and social fabric of this nation, so every community deserves to be a livable one.

To effectively and successfully provide Queenslanders with a wide range of services they not only need but deserve – such as roads, water and waste, libraries, and parks – it logically follows that councils must enjoy long-term financial sustainability.

However, a range of factors continue to affect a council's ability to achieve what, for some, is a virtual 'holy grail' of local government operations.

These factors include a council's size and location, population, ability to raise own-source revenue, lack of federal and state funding certainty, and an increasing requirement to fill service delivery gaps to meet community expectations and legislative requirements.

Queensland councils have long called for a tailored performance assessment framework to ensure financial sustainability is assessed in a way that reflects the diversity of local government across the state. Factors, such as finances, asset management, compliance, operating environment, and governance, all impact upon a council's overall sustainability.

Effectively managing a council balance sheet continues to be a major challenge, for Queensland's local government sector, which has been exacerbated by the economic conditions caused by the COVID-19 pandemic.

The Auditor-General's *Local Government 2021* report (tabled in the Queensland Parliament on May 11, 2022) found that while COVID-19 had presented challenges for local governments to deliver their services over the past few years, they were now recovering from the financial impacts of the pandemic.

As cited by the report, 35 councils generated an operating surplus in the 2020–21 financial year, as compared to 21 councils in 2019–20. As a result, fewer councils were at a moderate or high risk of not being financially sustainable.

The Auditor-General found that although this was encouraging, 45 councils (approximately 60 per cent of the sector) were still at either a moderate or a high risk of not being financially sustainable.

The LGAQ has been advising, supporting and representing local councils since 1896, enabling them to improve their operations and strengthen relationships with their communities. It will continue to support our member councils with assistance in advocacy, governance and a range of other support services.

The LGAQ has staunchly maintained co-operative relationships with both the Federal and State Governments and advocated for access to adequate financial and other resources, consistent with fiscal equalisation objectives and commensurate with local government's roles and responsibilities.

To maintain their long-term financial sustainability, Queensland councils must have long-term financial forecasts of at least 10 years, updated annually. This is able to be compiled with the assistance of the Queensland Treasury Corporation (QTC) Local Government Forecasting Model and new Financial Forecasting Tool. Long-term financial forecasts are to be provided with 5 years of historical values as well as 10 years of forecast values at the current budget year.

In August 2022, the LGAQ also made a total of 15 recommendations in relation to the Queensland Government's review into the updated, draft Financial Management (Sustainability) Guideline. These included the introduction of a wholistic definition of council sustainability, that clearly defines the basic service levels required to reflect a livable community, and recognition of the impact that the quantum variability in local government funding from the State and Federal Governments has.

Our recommendations called for the full implementation of the 2017 KPMG Review of grants to *Local Government: Current and future state assessment* to provide greater funding certainty to councils and consideration being given to a more sophisticated and fit-for-purpose grouping of councils including those experiencing higher or lower levels of growth or, in some cases, decline.

Action to develop and implement comparative performance measures between local government bodies

Queensland councils know the importance of striving to meet the needs of their local communities through the variety of local government services they deliver. To provide these services more efficiently and equitably, they are committed to improving their performance reporting.

Of course, improvement and learnings are generated more readily through comparative performance measures when like-for-like councils with similar local circumstances are compared.

In order to assist councils more effectively, the LGAQ has developed a new service whereby councils can access a range of data and analytics. Councils are able to utilise the expertise of the data team at the LGAQ to provide bespoke assistance around data analysis, enterprise performance dashboards and optimisation of business processes. Within the first 12 months of this service being available, 10 councils have signed up with others expressing significant interest.

Furthermore, options are also available for councils to improve their operational efficiency on key cost areas such as energy and telecommunications. These services enable councils to identify areas of potential cost saving and benchmark their costs against their peers.

On a broader on-going basis, the Queensland Auditor-General informs the comparative performance measures of Queensland's local government sector in relation to their financial reporting accountabilities.

These comparative performance measures are in the process of being updated in response to recommendations by the Auditor-General, with final consultation being undertaken by the State Government ahead of a potential implementation timeframe of 1 July 2023.

Reforms undertaken during 2021–22 to improve the efficiency and effectiveness of local government service delivery

Digital and data maturity continues to play a pivotal role in the improvement of local government service delivery in Queensland.

Councils are quickly understanding the benefits that can flow from new technology, particularly in their pursuit of providing more livable communities.

The customer experience continues to be a key focus of every Queensland council, with increasing support for the digital world providing more flexible access to their services and vital local information – around the clock.

Sixty per cent of Queensland councils are currently using the LGAQ's website solution to deliver information and resources to their community. These councils have been equipped with low maintenance and cost-effective digital portals as well as smart tools to provide services such as online council forms that are easy to use.

The LGAQ's digital specialists, in particular, are assisting councils during times of capability shortage or long-term capacity gaps and staffing constraints. These services range from short-term task management or content production, through to day-to-day management of council websites.

In 2021–22, the LGAQ offered councils a free audit of their cybersecurity exposure, educating council staff about cyber risk and providing clear opportunities to strengthen their cyber-maturity. Fifty councils have so far taken up this opportunity.

Ongoing innovation is also a vital part of Queensland local government's digital transformation as it searches for better service delivery solutions. In 2021–22, the LGAQ established a dedicated innovation lab, called the LGAQ Lab, which is now assisting councils to create innovative digital solutions to meet their service delivery needs and improve their efficiency.

Initiatives undertaken and services provided by local governments to Aboriginal and Torres Strait Islander communities

While all councils in Queensland have a responsibility to their Indigenous populations, many councils deliver culturally appropriate services without the ability to access funds that are earmarked for First Nations councils.

There are a number of councils that have a comparatively high Indigenous population such as Boulia (30 per cent), Burke (32 per cent), Carpentaria (41 per cent), and Paroo (35 per cent), with other councils (Cook, Cloncurry, Croydon, Diamantina, Mt Isa) having almost a quarter of their population identifying as Indigenous.

These communities need further assistance programs, funding, and culturally inclusive decision-making approaches by the State and Federal Governments.

In total there are 17 First Nations councils in Queensland that are responsible for providing the full range of local government services to their remote and discrete Aboriginal or Torres Strait Islander communities. These councils are established under the same legislation and are responsible for the same local government services as every other Queensland council.

First Nations councils have additional cultural responsibilities as well, which are also resource consuming, yet they have very minimal opportunity for own-source revenue – they are unable to collect rates – meaning they must rely extensively on funding from government.

This funding includes federal Financial Assistance Grants and the annual State Government Financial Aid (SGFA) program, which is paid in lieu of rates to ensure the delivery of local government services and infrastructure. The level of funding under the SGFA is currently under review but the grants provided have not kept up with the operating costs of First Nations councils. Other state funding programs include Works for Queensland and the Indigenous Councils Critical Infrastructure Program.

The operations of First Nations councils are continually hampered by insufficient resources however, with increased funding a critical need. This has led to many of their workers being among the lowest paid in local government in Queensland, which in turn makes it difficult for these councils to attract quality candidates from outside into key critical roles.

The First Nations councils are also heavily relied upon by other spheres of government for consultation on Indigenous community matters and regularly find themselves assuming the roles of champions and advocates for a range of community services that are the responsibility of the State and Federal Governments e.g. education, health, economic development, crime and policing, and so on. A number of these councils also have a dual role as land trustee for their communities. As a result, they have to navigate a complex legislative framework for any project that involves land tenure, Native Title and unique leasing arrangements. Councils will, as a matter of course, have to declare council meetings over, and then have a land trustee meeting, which calls into play complex cultural responsibilities and obligations as part of their positions.

In supporting our First Nations member councils, the LGAQ conducted 2 Indigenous Leaders Forums for Mayors and Councillors in 2022. Representatives from the majority of the First Nations councils attended both events and a number of guest speakers from state government departments and key organisations presented on a range of topics. Twelve of the 17 First Nations councils also received face-to-face Elected Member Updates provided by the LGAQ. All of these contacts were held on country with mayors, Chief Executive Officers (CEOs) and elected members attending.

The LGAQ also provides a range of services to support elected members and senior officers from First Nation communities, including access to advice, guidance and online tools in areas such as governance, compliance, industrial relations and disaster management.

In June 2022, the LGAQ commenced a new 3-year commitment to supporting employment opportunities in First Nation councils. The Indigenous Capacity Building Project – funded by the Department of Employment, Small Business and Training and administered by the LGAQ – has already ensured that over 150 council workers in these communities will receive a range of vocational training opportunities. Since its inception in 2015, this project has supported the training of more than 3,000 council workers and has performed a vital role in ensuring the retention and development of staff within First Nation communities.

Report from the Western Australian Government

Western Australian method for distributing the Financial Assistance Grant for 2021–22

The Western Australian (WA) share of Commonwealth Financial Assistance Grants (FA Grants) funding for 2021–22 was \$316,015,338, being 11.89 per cent of the national allocation of \$2,657,146,151. WA's share consisted of \$191,144,931 for the general purpose component and \$124,870,407 for the local roads component.

The WA Local Government Grants Commission (the Commission) is responsible for the allocation of FA Grants in WA.

General purpose grants

In 2021–22, 31 local governments (of the 137 totals in WA) received the minimum grant entitlement, which equated to \$21.53 per capita. This was an increase from 2020–21 when local governments received \$20.92 per capita.

Collectively, the local governments receiving the minimum grant accounted for \$45.3 million (23.7 per cent) of the total general purpose funding pool while comprising 79.1 per cent of the state's population.

The remaining funds, distributed among the local governments, were prioritised to those that had the largest gap between the grant received in the prior financial year and their calculated grant need (equalisation) for the upcoming financial year.

A total of 71 non-minimum grant local governments received an increase, while 35 non-minimum grant local governments faced reductions of between zero and 10 per cent.

The Commission continues to use the balanced budget method for allocating general purpose grants. The balanced budget approach to horizontal equalisation applies to all 137 local governments in WA and is primarily based on the formula:

$$\text{Assessed expenditure need less assessed revenue capacity} = \text{assessed equalisation requirement}$$

Calculation of assessed revenue capacity is based on a standardised mathematical formula updated annually and involves assessing the revenue-raising capacity of each local government in the categories of:

- residential, commercial and industrial rates
- agricultural rates
- pastoral rates
- mining rates
- investment earnings.

Assessed expenditure need is based on a standardised mathematical formula updated annually, involving the assessment of each local government's operating expenditures in the provision of core services and facilities under the standard categories of:

- Governance
- Law, order and public safety
- Education, health and welfare
- Community amenities
- Recreation and culture
- Transport.

Cost adjustors

Cost adjustors are determined through a combination of data specific to the cost adjustor as well as a population component. As several small and remote local governments have high (more disadvantaged) cost adjustor specific data scores, a weighting on population in the cost adjustors ensures that local governments with small populations are not compensated excessively.

The cost adjustors (12), in order of significance, as determined by the Commission, are as follows:

- Location
- Socio-Economic Disadvantage
- Population Dispersion
- Climate
- Aboriginality
- Growth
- Fire Mitigation (formerly Terrain)
- Regional Centres
- Off-Road Drainage
- Medical
- Cyclone
- Special Needs.

Table 28 Western Australian cost adjustors applied to expenditure standards

Expenditure standard	Cost adjustors applied to the expenditure standard
Governance	Location, Socio-Economic Disadvantage, Aboriginality, Regional Centres
Law, order and public safety	Location, Socio-Economic Disadvantage, Population Dispersion, Fire Mitigation, Cyclone, Special Needs, Aboriginality
Education, health and welfare	Location, Socio-Economic Disadvantage, Population Dispersion, Medical Facilities, Aboriginality
Community amenities	Location, Socio-Economic Disadvantage, Growth, Population Dispersion, Regional Centres, Off-Road Drainage, Special Needs, Aboriginality
Recreation and culture	Location, Socio-Economic Disadvantage, Growth, Population Dispersion, Climate, Regional Centres, Aboriginality
Transport	N/A

Data from a wide range of sources is used to calculate the cost adjusters applied to the expenditure standards. Wherever possible, data is collected from independent sources such as the Australian Bureau of Statistics.

Table 29 Data sources utilised by the Western Australian Local Government Grants Commission

Data Type	Source
Accessibility Remoteness Index of Australia (ARIA++)	National Centre for Social Applications of GIS (GISCA)
Socio-economic Indexes of Areas (SEIFA)	Australian Bureau of Statistics (ABS), Catalogue Number 2033.0.55.001
Population, Population forecasts	ABS Catalogue Number 3218.0 as at March 2021, Department of Planning – 2015 WA Tomorrow Growth Report
Population Dispersion	ABS QuickStats for Townsite Populations
Regional Centres	Determined by the Commission
Aboriginal Population	2018 ABS Census Tablebuilder
Fire Mitigation	Department of Home Affairs and Environment – Biophysical Attributes of Local Government
Cyclone	Australian Building Standards for Cyclone Prone Areas (Australian Building Code Board)
Off-road Drainage Data	Road Information Returns, Main Roads WA
Interest Expenditure/ Investment Revenue	WA Treasury Corporation, WA Local Government Grants Commission Information Returns
Valuations, Area, Assessments	Landgate (Valuer-General)
Residential, Commercial and Industrial Rates, Agricultural Rates, Pastoral Rates, Mining Rates	WA Local Government Grants Commission Information Returns
Climate	Bureau of Meteorology

Equalisation averaging

The Commission uses the Olympic method of averaging general purpose grant equalisation needs. This method uses the last 6 years of equalisations (grant need), removes the highest and lowest figures and averages the remaining 4 equalisations.

Local road grant funding

The Commission distributes local road grants using the Asset Preservation Model (APM), which has been in place since 1992. Under the arrangements approved for Western Australia, 7 per cent of the Commonwealth funds provided for local roads are allocated for special projects (one-third for roads servicing remote Indigenous communities and two-thirds for bridges). The remaining 93 per cent is distributed in accordance with road preservation needs, as determined by the Commission's APM.

The model assesses the average annual costs of maintaining each local government's road network and has the capacity to equalise road standards through the application of minimum standards. These standards help local governments that have not been able to develop their road systems to the same standard as more affluent local governments.

Main Roads WA contributes an additional third of the cost of special projects funded under this program. The amounts involved for 2021–22 were as follows.

Table 30 Allocations of Commonwealth local road grant in Western Australia

Description of component	Amount (\$)
Roads servicing Aboriginal communities	\$2,908,280
Bridges	\$5,816,560
Distributed according to the asset preservation model	\$116,145,567
Total	\$124,870,407

Special projects – roads servicing remote Aboriginal communities

In 2021–22, the special project funds for Aboriginal access roads were as follows.

Table 31 Western Australian special projects funds for Aboriginal access roads

Special projects	Amount (\$)
Special project funds from the Western Australian Local Government Grants Commission	\$2,908,280
State funds from Main Roads Western Australia	\$1,454,140
Total	\$4,362,420

The Aboriginal Roads Committee advises the Commission on procedures and priorities for determining the allocations of Commonwealth road funds for roads servicing remote Aboriginal communities and recommends the allocations that are made each year.

Membership of the Committee is made up of representatives from each of the following organisations:

- WA Local Government Grants Commission (Chair)
- Western Australian Local Government Association
- Main Roads Western Australia
- Department of Planning, Lands and Heritage
- Department of Local Government, Sport and Cultural Industries
- Department of the Prime Minister and Cabinet.

The Committee has established funding criteria based on factors including the number of Aboriginal people serviced by a road, the distance of a community from a sealed road, the condition of the road, the proportion of traffic servicing Aboriginal communities and the availability of alternative access. These criteria have provided a rational method of assessing priorities in developing a 5-year program. The Committee's recommendations are submitted to the Commission for endorsement.

Special projects – bridges

The Commission's policy for allocating funds for bridges recognises that there are many local government bridges that are in poor condition, and that the preservation of these bridges must be given a high priority.

The special project funds for bridges are only allocated to preservation type projects, recognising that some of these projects may include some upgrading, and that preservation includes replacement when the existing bridge has reached the end of its economic life.

In 2021–22, the special project funds for the preservation of bridges were as shown in Table 32.

Table 32 2021–22 special project funds for the preservation of bridges in Western Australia

Special projects – bridges	Amount (\$)
Special project funds from Commission	\$5,816,560
State funds from Main Roads	\$2,908,280
Total	\$8,724,840

A Bridge Committee advises the Commission on priorities for allocating funds for bridges. Membership of the Committee is made up of representatives from the following organisations:

- WA Local Government Grants Commission (Chair)
- Western Australian Local Government Association
- Main Roads Western Australia.

The Committee regularly receives recommendations from Main Roads WA on funding priorities for bridges. Main Roads WA inspects and evaluates the condition of local government bridges and has the expertise to assess priorities and make recommendations on remedial measures. As part of the process, local governments make applications to the Commission for bridge funding each year. The Committee's recommendations are submitted to the Commission for endorsement.

Publications

Detailed calculations and explanations are made available to local governments through the Commission's website. Publications include:

- Balanced Budget
- Quarterly Grant Schedule
- Schedule of Financial Assistance Grants
- Principles and Methods of Distribution of Financial Assistance Grants
- Annual Report.

Methodology changes for 2021–22 from that used in 2020–21

For 2021–22, 88 per cent of expenditure calculations were distributed using a per capita or per property allocation. The remaining 12 per cent was allocated by the cost adjusters to recognise costs that are out of a local government's control.

There were no major refinements to the methodology for 2021–22. However, there were a number of smaller changes made to update the indicator data and formulas in some cost adjusters.

Cost adjusters

Each year the Commission updates the indicator data used in the cost adjusters. This ensures that the calculations are accurate and equitable for the state. This year there were changes to the indicator data for certain cost adjusters, resulting in updated state averages, and small

differences to local government allocations. However, the Commission made no changes to the cost adjustors calculation method for the 2021–22 grant year.

Aboriginality data

Aboriginality data from 2018 was implemented for the 2021–22 grant calculations. The previous data used for the Aboriginality cost adjustor dated back to 2016. The use of the updated data did not lead to significant changes in overall allocations, with a small number of local governments receiving slight increases or decreases in their state share. However, it did result in new averages for the calculation. Last year's average was 550 Aboriginal people per local government or a population with more than 2.88 per cent of Aboriginal people. After the input of the new data, the new average is 733 Aboriginal people per local government area or more than 3.77 per cent of their local government population.

Growth data

The Commission updated the historical growth data range, from 2015 to 2019, to 2016 to 2020. Future growth data remains at the range of 2021–2026. The updated historical data means that a range of local governments that previously received an allocation for Growth would not be eligible based on the new criteria within the calculation.

Revenue standards

Revenue standard formulas

Revenue standards are a mathematical formula used to assess the revenue-earning capacity of each local government. The Commission calculates the following revenue standards:

- residential, commercial and industrial rates
- agricultural rates
- pastoral rates
- mining rates
- investment income.

Residential commercial and industrial rates

Using regression analysis, the Commission determined that a weighting of 40 per cent on the number of assessments and 60 per cent on property valuations is the preferred outcome as it demonstrates a stronger relationship between local government rating inputs and rates raised.

Agricultural rates

The agricultural standard was reviewed and it was determined that the current weightings of 26 per cent on the number of assessments, 39 per cent on property valuations and 35 per cent on area, provided the most effective outcome.

Pastoral rates

A regression-based formula has been applied as it provided a far improved outcome. Weightings of 22 per cent on the number of assessments, 49 per cent on property valuations and 29 per cent on area, have been used.

Mining rates

The Commission reviewed the mining revenue standard and found that an update to the regression analysis formula of 5 per cent on area, 74 per cent on valuations and 21 per cent on assessments, provided an improved correlation and outcome.

Investment revenue

Investment revenue continues to be calculated using population data as its basis. This is due to there being a loose relationship between investment revenue and local government indicators. The state was advised by the Commonwealth Grants Commission that when there is a weak relationship, population is the fairest method of distribution.

Scaleback method

The Commission changed its phasing policy for the 2018–19 grant determinations. It had become apparent that, due to the limited funding pool growth in recent years, the Commission was unable to provide the desired increases in grants to local governments that were receiving significantly less than their general purpose equalisation need. As a result, in recent years, the Commission has been transitioning local governments to a common scaleback to ensure equity between local government grants. This method continues to be used.

Developments in the use of long-term financial and asset management plans

Under the regulations, all local governments in Western Australia are required to have developed and adopted 2 key documents: a Strategic Community Plan and a Corporate Business Plan. These were supported and informed by resourcing and delivery strategies, including an Asset Management Plan, a Long-Term Financial Plan and a Workforce Plan. These form part of the Integrated Planning and Reporting (IPR) Framework and the Advisory Standard, which sets out associated performance measures.

The Department of Local Government, Sport and Cultural Industries (DLGSC) continues to provide a number of resources on its website for local governments to assist with IPR and to monitor that Strategic Community Plans and Corporate Business Plans are being reviewed within prescribed required timeframes.

In November 2021, the McGowan Government announced a package of proposed local government reforms. These reforms represent the biggest set of changes to local government in Western Australia in more than 25 years.

The reforms are based on the key themes of:

- earlier intervention, effective regulation and stronger penalties
- reducing red tape, increasing consistency and simplicity
- greater transparency and accountability
- stronger local democracy and community engagement
- clear roles and responsibilities
- improved financial management and reporting.

The reforms to improve financial management and reporting include simplification of plans, including new standard templates that will be available for local governments who wish to utilise them.

The reforms also include the introduction of model financial statements to simplify and standardise local government financial reporting.

Following a 3-month consultation period (November 2021 to February 2022), more than 200 submissions were received from local governments, peak bodies, advocacy groups and members of the public. Feedback was analysed and informed refinement of the reform proposals.

The DLGSC is progressing the delivery of reforms. New templates and supporting guidance information will be developed in consultation with sector stakeholders as the implementation continues.

Further information on the reforms is available at <https://www.dlgsc.wa.gov.au/local-government/strengthening-local-government/local-government-act-reform>.

Actions to develop and implement comparative performance measures between local governing bodies

Western Australia has an online portal, www.mycouncil.wa.gov.au, which provides a place to find out how local governments are raising, spending and managing their money. The website publishes consistent data on local government finances and demographics, drawn principally from local government audited financial statements and the Australian Bureau of Statistics, with the data being updated annually.

[MyCouncil](#) also includes information about each local government's financial health using the Financial Health Indicator (FHI). The DLGSC is currently reviewing the FHI in consultation with key stakeholders and sector representatives. This is to ensure that the FHI is still fit for purpose and reflects the anticipated changes to financial management regulations and the Local Government Act.

Support for local government

As part of the McGowan Government's local government reforms, the DLGSC is introducing new model financial statements for the sector. The model statements include further simplification of reporting and a reduced version for smaller local governments, reflecting the generally less complex operations of these governments. There will be minor amendments and streamlining for the financial statements published by larger local governments.

These changes, which are based on recommendations made by the Office of the Auditor-General (OAG), will make financial reports simpler to prepare, and clearer and easier to understand. This reform is designed to improve annual financial statement preparation and the audit process. The process commenced with a first tranche of financial and audit regulation amendments in June 2022, with a further tranche planned to complete the implementation of the model financial statements for the 2022–23 reporting year.

Greater consistency will also improve the budgeting and reporting process for local governments. These changes have been designed to reduce administrative costs, further benefiting ratepayers. It is anticipated the simplified reporting requirements will also support ratepayers to access clear information about the financial position of their local government. This will aid community decision making about local government led services and projects.

OAG audits on local government financial statements will still be carried out in accordance with Australian Auditing Standards and will remain generally consistent with reporting for State Government agencies.

Reforms undertaken during 2021–22 to improve the efficiency and effectiveness of local government service delivery

Local government reform

In November 2021, the McGowan Government announced a package of proposed local government reforms. These reforms represent the biggest set of changes to local government in Western Australia in more than 25 years.

The reforms are based on the key themes of:

- Earlier intervention, effective regulation and stronger penalties
- Reducing red tape, increasing consistency and simplicity
- Greater transparency and accountability
- Stronger local democracy and community engagement
- Clear roles and responsibilities
- Improved financial management and reporting.

The reform proposals include a range of measures, including:

- A new Local Government Inspector to handle complaints, manage investigations, and coordinate the proactive resolution of significant problems identified within local governments.
- Specialist independent Monitors, who may be appointed by the Inspector to visit and work with local governments to resolve issues as early as possible.
- The standardisation of procedures for all council meetings, including for public question time, will make engaging with council decisions simpler and easier for ratepayers.
- New transparency measures will provide ratepayers with consistent information about local government contracts, property leases and credit card expenditure.
- New mandated communications agreements between council members and the administration of each local government.
- New requirements for the publication of annual performance indicators and results for all local government Chief Executive Officers (CEOs), with provision for limited exceptions for sensitive matters.
- Legislation will specifically enable local governments to share resources, including arrangements for shared CEOs and senior employees.
- A range of electoral reforms, including a new state-wide caretaker period during ordinary local government elections.
- Reforms will introduce standard approvals for key local government regulations and approvals, including incidental outdoor trading activities and alfresco dining. Many of these reforms build on the planning reforms already implemented by the State Government.
- Standardised templates for local government financial statements are to be introduced which streamline reporting and reduce administrative costs.

The DLGSC invited comments from local governments and the wider community to inform implementation of the proposed reforms. The consultation period ran from the 10 November 2021 to 25 February 2022.

More than 200 submissions were received from local governments, peak bodies, advocacy groups and members of the public. Feedback was analysed and informed refinement of the reform proposals.

Drafting of legislated amendments to the *Local Government Act 1995* has commenced.

Further information on the proposed reforms is available at <https://www.dlgsc.wa.gov.au/local-government/strengthening-local-government/local-government-act-reform>.

Capacity building

To better educate and build capacity across the sector, DLGSC has undertaken several projects over 2021–22, including:

- increasing in-person visits and general engagement with local governments, through:
 - 6 webinars and information sessions
 - 8 Local Government (LG) Professionals branch meeting presentations
 - 31 zone meetings of the Western Australian Local Government Association (WALGA)
 - 45 face-to-face visits to local governments
 - 20 LG alerts
 - 334 calls answered on the LG hotline
 - 207 emails resolved through the LG hotline
- the introduction of combined agency briefings, where the Corruption and Crime Commission, Office of the Auditor-General, Public Sector Commission, State Records Office and DLGSC provided presentations to local governments on a range of conduct and integrity matters
- two Feedback Lab sessions with local government CEOs, governance practitioners and peak industry bodies to develop guidelines for dealing with behavioural complaints under the *Local Government Act (Model Code of Conduct) Regulations 2021*
- the commencement of a review of DLGSC’s Local Government Compliance Framework that aims to modernise and enhance DLGSC’s approach to sector regulation.

The DLGSC worked with peak industry bodies such as the Western Australian Local Government Association and Local Government Professionals WA to strengthen sector capacity. This included support for local government to improve financial management to assist small and/or regional local governments to transfer to a standardised chart of accounts to improve financial management, reporting, and resource and information sharing.

This approach also included mentoring and leadership training to new CEOs in the Western Australian local government sector. The DLGSC and Local Government Professionals WA continued their partnership for the CEO Support Program that assists local government CEOs to be better equipped to deal with the challenges currently facing the sector.

In 2021–22, the program included 16 local government CEOs who participated in coaching and mentoring and 51 CEOs who attended the Connections forum in November 2021.

Women in local government

The DLGSC supports the Australian Local Government Women's Association WA Branch to continue to run 2 programs:

- Standing Up, to increase numbers of women nominating for council.
- MentorNet, to build the capacity and capabilities of women currently elected to council.

Standing Up develops women's networks with current elected members. It also provides campaign support and advice for women who decide to nominate.

MentorNet develops networks for women, to better inform female councillors' roles. Mentors come from large and small local governments, both country and metropolitan, and have a wide variety of interests and experience. It also enables women to engage in development opportunities.

Initiatives undertaken and services provided by local governments to Aboriginal and Torres Strait Islander communities

Closing the Gap

The National Agreement on Closing the Gap (CTG) came into effect on 27 July 2020. It contains 4 key Priority Reform Areas for changing how governments work with Aboriginal and Torres Strait Islander people, and a suite of socio-economic targets to focus efforts to improve Aboriginal and Torres Strait Islander outcomes.

Under the National Agreement, each of the states and territories agreed to develop a jurisdictional implementation plan to guide the reform process. The WA Government has developed its first Closing the Gap Jurisdictional Implementation Plan.

In 2022, an Aboriginal Policy and Business Advisor position was established to lead and manage the development and implementation of DLGSC's Reconciliation Action Plan, and to coordinate the implementation of the Aboriginal Empowerment Strategy Western Australia 2021–2029 and Closing the Gap WA Implementation Plan (the Plan).

The Implementation Plan is closely aligned with the Aboriginal Empowerment Strategy, which sets the WA Government's high-level strategic approach for working with Aboriginal people towards empowerment and better outcomes. The DLGSC is working with the State Government and local government to develop a state action/implementation plan.

Additional information – reform activities including deregulation and legislative changes

Local Government (COVID-19 Response) Order 2020

The *Local Government Amendment (COVID-19 Response) Act 2020* provided for the State Minister to modify or suspend provisions of the Act or Regulations due to consequences of the pandemic. Amendments made to the Local Government (COVID-19 Response) Order 2020 enabled local governments to hold electors' general and special meetings online and to continue to provide assistance to Western Australian ratepayers suffering financial hardship as a result of the pandemic.

Activating Alfresco Rebate Program

The Activating Alfresco Rebate Program was a \$5 million investment to encourage and support small businesses in establishing, expanding and improving their alfresco dining operations. This program allowed hospitality businesses to claim a rebate of up to \$5,000 towards eligible expenses to promote safe socialisation and community vibrancy by activating footpaths and other underutilised public and private spaces.

At the close of the Activating Alfresco Rebate Program on 30 June 2022, a total of 552 rebate claims were lodged and processed.

Activate Perth was provided with a \$1 million, 4-year funding grant to support its operations, extend the organisation's service delivery and expand the Fill This Space program. Activate Perth is a not-for-profit association dedicated to making Perth an exciting, artistic and world-class city through active, diverse and engaged communities.

Stop Puppy Farming

The *Dog Amendment (Stop Puppy Farming) Act* (SPF Act) was passed by Parliament in December 2021.

Key reforms include mandatory registration of dog breeders, a centralised registration system (CRS) for cats and dogs covered under the *Dog Act 1976* (*Dog Act*) and the *Cat Act 2011* (*Cat Act*), mandatory sterilisation of dogs at the age of 2 years (unless exempt), and the transitioning of pet shops to adoption centres.

The SPF Act will take time to implement as it requires the design and development of a CRS for dogs and cats, and the development of regulations in consultation with stakeholders.

The DLGSC will continue to consult with local government and other stakeholders in developing the CRS and regulations.

Standards for the health and welfare of dogs in relation to dog breeding, housing, husbandry, transport and sale will be made mandatory through the development and implementation of regulations by the WA Department of Primary Industries and Regional Development.

Report from the Western Australian Local Government Association (WALGA)

Developments in the use of long-term financial and asset management plans

Model Financial Statements

In the 2020–21 report, we highlighted the local government sector's requests that:

- the Minister for Local Government direct the Department of Local Government to prepare a Model Set of Financial Statements and Annual Budget Statements Reports for the local government sector, in consultation with the Office of the Auditor-General
- the Department of Local Government re-assess the amount of detail required to be included in annual financial reports, in particular for small and medium-sized entities, as suggested by the Office of the Auditor-General.

The Minister for Local Government in Western Australia (WA) responded positively advising that he had directed the Department of Local Government to progress the proposal for model statements and budgets. In a positive outcome, the Minister further directed the department to produce 2 sets of financial statements based on size and scale. In WA, local governments are categorised into 4 Bands. Band 1 is for the larger local governments and Band 4 is for the small local governments. Model financial statements have been produced for Bands 1 and 2 local governments and a separate set of statements for Bands 3 and 4. Bands 3 and 4 have less onerous financial reporting. This initiative has been met very positively by the local government sector.

This work was outsourced to financial consultants and has been completed. The new financial statement reporting will be in place for reporting of the 2022–23 annual financial statements.

Local government financial ratios

Over the last 3 years, there has been mounting concern as to the appropriateness of the 7 financial performance indicators which were previously required to be included in the Annual Financial Report of a local government under section 6.4(2) of the *Local Government Act 1995* and Regulation 50 of the *Local Government (Financial Management) Regulations 1996*.

WALGA formed a Local Government Financial Ratios Working Group to review the existing ratios and previous proposals for change in order to develop recommendations for meaningful and relevant ratios. The Working Group included representatives from metropolitan and regional local governments, together with officers from the Department of Local Government, Sport and Cultural Industries (DLGSC), the Office of the Auditor-General and the WA Treasury Corporation.

The Local Government Financial Ratios Working Group concluded its review in 2020–21 and provided a Report recommending a reduction in the number of ratios included in the Annual Financial Report, and amended calculations. The Report also recommends a new approach to the reporting of asset management ratios. The ratios proposed by the Working Group are based on robust and clear calculations, and achieve transparent results to provide meaningful indicators of local government's financial sustainability.

The Report was presented to a meeting of the WALGA State Council in 2021, which resolved as follows:

That WALGA:

- 1. Advocate to the Minister for Local Government to amend the Local Government (Financial Management) Regulations 1996 to prescribe the following ratios:**
 - a. Operating Surplus Ratio
 - b. Net Financial Liabilities Ratio
 - c. Debt Service Coverage Ratio
 - d. Current Ratio.
- 2. Recommend that local governments consider including asset management ratios in their annual report.**
- 3. Request the Department of Local Government, Sport and Cultural Industries to review the asset management ratios in consultation with the local government sector.**

In the 2021–22 financial year, the Minister for Local Government amended the Local Government (Financial Management) Regulations 1996 to delete the requirement for local governments to report on financial ratios in their annual financial statements. This has been welcomed by the sector as this streamlines the financial reporting requirements.

Local government financial Indicator

With there being no requirement for financial ratios to be reported in the annual financial statements, the DLGSC engaged the Western Australian Treasury Corporation (WATC) to undertake a review of the Financial Health Indicator (FHI) which is currently being used to help assess the financial performance of local government authorities (LGAs).

The review, undertaken in collaboration with a range of stakeholders, had the following core purposes in mind:

- reaffirm the purpose of, and target audience for, the FHI
- assess support for the continued use of a single score to measure LGA financial performance
- review the appropriateness of ratios, benchmarks and weightings which comprise the FHI
- ensure the methodology used to calculate the FHI score is straightforward and transparent.

Stakeholder collaboration provided affirmation that the FHI is broadly well-regarded and that support exists for the continuance of using a single-score approach to summarising LGA historic financial performance. However, the construct of the FHI, as well as its interpretation, requires the following modifications.

- **Ratio Selection:** A revised FHI's LGA financial performance evaluation should be based on 4 WALGA recommended financial ratios (as opposed to the existing slate of 7 ratios).
- **Ratio Timeframe:** The FHI currently combines ratios which assess performance at a point in time with ratios which assess performance against long-term strategic targets (such as asset sustainability). The consensus is that the latter should be excluded from the FHI due to the distorting impact on the FHI that stems from year-on-year timing variances in major capital expenditure programs.

- Ratio Weightings: The expert opinions of the stakeholder group aligned around the continued use of differential weightings for the selected ratios. However, the calibration of such weightings for the proposed ratios differs to those currently used in the FHI, with a significant focus being placed on the Operating Surplus Ratio.

The WATC are currently finalising their report to the DLGSC and it is anticipated that new financial indicators will be in place for 2022–23 annual financial statement reporting.

Actions to develop and implement comparative performance measures between local governing bodies

Planning and Building Performance Monitoring Project

In 2021–22, WALGA completed the sixth year of its Planning and Building Performance Monitoring Project. The project collects data from over 30 local governments that represent over 80 per cent of Western Australia’s population, over 85 per cent of the state’s population growth and over 80 per cent of all new dwellings constructed. The data includes the time taken to assess and determine development and building permit applications, among various other data sets. It is used by local governments to monitor their performance against that of others and helps WALGA and other stakeholders, such as state agencies and industry groups, to understand the sector’s planning and building permit assessment performance.

Reforms undertaken during 2021–22 to improve the efficiency and effectiveness of local government service delivery

The Minister for Local Government has put forward a *Local Government Act* legislative reform program that includes a proposal to improve resource sharing and regional collaboration with local government service delivery.

Resource sharing

Amendments are proposed to encourage and enable local governments, especially smaller regional local governments, to share resources, including Chief Executive Officers (CEOs) and senior employees.

Local governments in Bands 2, 3 or 4 would be able to appoint a shared CEO at up to two salary bands above the highest band. For example, a Band 3 and a Band 4 council sharing a CEO could remunerate to the level of Band 1.

Regional Subsidiaries

Work is continuing to consider how Regional Subsidiaries can be best established to:

- enable Regional Subsidiaries to provide a clear and defined public benefit for people within member local governments
- provide for flexibility and innovation while ensuring appropriate transparency and accountability of ratepayer funds
- where appropriate, facilitate financing of initiatives by Regional Subsidiaries within a reasonable and defined limit of risk
- ensure all employees of a Regional Subsidiary have the same employment conditions as those directly employed by a member local government.

The above initiatives have been supported by the local government sector and the Act and regulatory amendments pertaining to these reforms will be introduced early in the 2023 calendar year.

Initiatives undertaken and services provided by local governments to Aboriginal and Torres Strait Islander communities

Partners in Government Agreement

In Western Australia a Partners in Government Agreement was signed in 2021 that commits the WA Government and local governments to work in genuine partnership to provide the greatest benefit to the community. Principles within the agreement guided WALGA's efforts in supporting the local government sector to recognise and respect Aboriginal cultural practices and places of meaning, through the development of Reconciliation Action Plans.

Aboriginal Engagement and Reconciliation Forum

In October 2022, WALGA hosted the Aboriginal Engagement and Reconciliation Forum which aims to strengthen partnerships and celebrate policy and practice successes in the local government sector. The Forum was delivered in collaboration with local government Aboriginal stakeholders, state governments' representatives and not-for-profit organisations with an interest in supporting reconciliation within the state, and was attended by more than 200 delegates.

WA Local Government Reconciliation Network

WALGA facilitates a WA Local Government Reconciliation Network which brings together local government officers working in reconciliation and Aboriginal projects, including experienced Aboriginal community development officers who can provide advice and guidance on Aboriginal engagement. The main purpose of the group is to share peer-to-peer advice and learnings, offer support and encouragement, explore opportunities for partnership and collaboration between local governments, and coordinate meetings and events.

Reconciliation WA

WALGA partners with Reconciliation WA to build the capacity of local governments to further reconciliation outcomes within their communities. Through this partnership local governments were supported to maximise their National Reconciliation Week initiatives through the delivery of Activation Boxes and Community Briefings. As part of the 2022 Reconciliation Week, WALGA also sponsored 3 local governments to display a Reconciliation Week Street Banner demonstrating their commitment to reconciliation.

Aboriginal Cultural Heritage Reference Group

Throughout 2022, the Department of Planning, Lands and Heritage delivered a 3-phase co-design process to develop regulations, statutory guidelines and operational policies to support the *Aboriginal Cultural Heritage Act 2021*. As part of this process, WALGA conducted comprehensive consultation with the local government sector, including the delivery of 3 webinars and facilitation of WALGA's Aboriginal Cultural Heritage Reference Group. WALGA made 3 submissions advocating on behalf of local government.

Report from the South Australian Government and the Local Government Association of South Australia (LGASA)

South Australian method for distributing the Financial Assistance Grant for 2021–22

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 overriding principle is one of Horizontal Fiscal Equalisation, which is constrained by a requirement that each local governing body must receive a minimum entitlement per capita as prescribed in the Commonwealth legislation.

The South Australian Local Government Grants Commission (the Commission) uses a direct assessment approach to the calculations, consisting of a separate estimation of a component revenue grant and a component expenditure grant for each council, which are aggregated to determine each council's overall equalisation need.

Available funds are distributed in accordance with the relativities established through this process and adjustments are made as necessary to ensure the per capita minimum entitlement is met for each council. For local governing bodies outside the incorporated areas (the Outback Communities Authority and 5 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 grant 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, and it equals expenditure divided by U or income divided by U respectively.

RRI = Revenue Relativity Index. *CRI* = Cost Relativity Index (also known as a disability factor). They are centred around 1.00, i.e. *RRI* subscript *s* or *CRI* subscript *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 calculates a revenue relativity index based on the SEIFA Index of Economic Resources (from the Australian Bureau of Statistics). Where no revenue relativity index exists, the *RRI* subscript *c* = 1.0. Currently, in all expenditure calculations with the exception of roads and stormwater maintenance, there are no disability factors applied and consequently *CRI* subscript *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. Any council whose raw calculation per head is less than the per capita grant entitlement (\$21.49 for 2021–22), has the per capita grant applied. The remaining balance of the grant pool is apportioned to the remaining councils based on their calculated proportion of the raw calculation. Commission-determined limits are then applied to minimise the impact on council's budgetary processes.

In the calculation of the 2021–22 general purpose grants, the Commission constrained changes to councils' grants to between minus 10 and positive 40 per cent. No councils received increases or decreases in grants outside the constraints. 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 greater or less 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 component revenue grants.

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* subscript *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 5 land use categories, namely:

- residential
- commercial
- industrial
- rural
- other.

To overcome fluctuations in the base data, valuations, rate revenue and population are averaged over 3 years. Revenue Relativity Indices (*RRI* subscript *c*) are only applied to the calculations for residential and rural land use categories.

Subsidies

Subsidies that are of the type that most councils receive and are not dependent upon their own special effort, that is, they are effort neutral, are treated by the 'inclusion approach'. That is, subsidies such as those for library services and roads are included as a revenue function.

Component expenditure grants

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

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

A main driver or **unit of measure** is identified for each function. This is divided into the net 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 calculation for the function. As already indicated, this calculation 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 expenditure grant for each council. In the case of roads, cost relativity indices 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 annually revised road lengths) are averaged over 3 years. Table 33 details the approach taken to expenditure functions included in the methodology.

Table 33 South Australia's expenditure functions included in the methodology

Expenditure function	Standard cost¹	Units of measure
Waste management	Reported expenditures	Number of residential properties, rural and commercial (shop) properties
Aged care services	Reported expenditures	Population Aged 65+ as per ABS Census and estimated resident population
Services to families and children	Reported expenditures	Population Aged 0–14 years per ABS Census and estimated resident population
Health inspection	Reported expenditures	Establishments to inspect
Libraries	Reported expenditures	Estimated resident population
Sport, recreation and culture	Reported expenditures	Population Aged 5–64 years as per ABS Census and estimated resident population
Sealed roads – built-up ⁵	Reported expenditures	Kilometres of Built-up Sealed Road as reported in GIR
Sealed roads – non-built-up ⁵	Reported expenditures	Kilometres of Non-built-up Sealed Road as reported in GIR
Sealed roads – footpaths etc	Reported expenditures	Kilometres of Built-up Sealed Road as reported in GIR
Unsealed roads – built-up ⁵	Reported expenditures	Kilometres of Built-up Unsealed Road as reported in GIR
Unsealed roads – non-built-up ⁵	Reported expenditures	Kilometres of Non-Built-up Unsealed Road as reported in GIR
Unformed roads ⁵	Reported expenditures	Kilometres of Unformed Road as reported in GIR
Stormwater drainage maintenance ^{2,3}	Reported expenditures	Number of urban properties ⁴
Community support	Reported expenditures	3-year average population multiplied by the SEIFA Advantage/Disadvantage CRI
Jetties, wharves, marinas and boat ramps	Reported expenditures	Number of jetties, wharves, marinas and boat ramps
Public order and safety	Reported expenditures	Total number of properties
Planning and building control	Reported expenditures	Number of new developments and additions
Bridges	Reported expenditures	Number of bridges
Environment and coastal protection	Reported expenditures	Estimated resident population
Airports and authorised landing areas	Reported expenditures	Number of airports and authorised landing areas
Other needs assessments	Set at 1.00	Based on Commission-determined relative expenditure needs in a number of areas ⁶

Notes:

1. In the column headed 'Standard cost' above, a reference to 'Reported expenditures' is a reference to a council's net expenditure, reported in the Commission's supplementary returns, for the corresponding expenditure function.
2. Includes both construction and maintenance activities.
3. The Commission has also decided, for these functions, to use cost relativity indices based on the results of a previous consultancy by BC Tonkin and Associates.
4. Urban properties equal the sum of residential properties, commercial properties, industrial properties, exempt residential properties, exempt commercial properties and exempt industrial properties.
5. The Commission has, for these functions, used cost relativity indices 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.
6. Comprises Commission-determined relative expenditure needs with respect to the following:
 - isolation – measured as the distance from the General Post Office (GPO) to the main service centre for the council (as published in the South Australian Local Government Directory distributed by the Local Government Association of South Australia)
 - 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.

The 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 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, 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 Table 34.

Table 34 Summary of figures by expenditure function in South Australia

Total population = 1,764,268

Function	Standard (in dollars)	Unit of measure per capita	Total units of measure	Unit of measure
Waste management	190.65	0.47966	837,866	Number of residential, rural and commercial (shop) properties
Aged care services	129.45	0.18759	327,680	Population aged more than 65
Services to families and children	74.58	0.17633	308,004	Population aged zero to 14
Health inspection	580.37	0.01237	21,608	Establishments to inspect
Libraries	73.27	1.01001	1,764,268	Estimated resident population
Sport, recreation and culture	328.24	0.75553	1,319,747	Population aged 5 to 49
Sealed roads – built-up	13,526.56	0.00629	10,985	Kilometres of sealed built-up
Sealed roads – non-built-up	13,526.56	0.00460	8,041	Kilometres of sealed non-built-up
Sealed roads – footpaths etc	19,237.00	0.00629	10,985	Kilometres of sealed built-up
Unsealed roads – built-up	2,070.86	0.00037	644	Kilometres of formed and surfaced, and natural surface-formed built-up road
Unsealed roads – non-built-up	2,070.86	0.02653	46,347	Kilometres of formed and surfaced, and natural surface-formed non-built-up road
Roads – unformed	380.99	0.00507	8,862	Kilometres of natural surfaced unformed road
Stormwater drainage – maintenance	95.81	0.46458	811,517	Number of urban, industrial and commercial properties including exempt
Community support	55.43	1.00000	1,746,792	3-year average population * Socio-Economic Indexes For Areas Advantage Disadvantage Cost Relativity Index
Jetties, wharves, marinas and boat ramps	13,787.65	0.00015	256	Number of jetties, wharves, marinas and boat ramps
Public order and safety	29.34	0.55034	961,319	Total number of properties
Planning and building control	2,366.18	0.02366	41,331	Number of new developments and additions
Bridges	12,107.84	0.00041	715	Number of bridges
Environment and coastal protection	21.06	1.01001	1,764,268	Estimated Resident Population
Airports and authorised landing areas	71,087.10	0.00004	63	Number of airports and authorised landing areas
Other special needs	1.00	13.81497	24,131,800	Total of dollars attributed

Table 35 Summary of figures by revenue function in South Australia

Function	Standard (in dollars)	Unit of measure per capita	Total units of measure	Unit of measure
Rates – residential	0.0037	174,564	304,651,023,277	Valuation of residential
Rates – commercial	0.0065	23,171	40,474,750,691	Valuation of commercial
Rates – industrial	0.0078	3,607	6,300,246,702	Valuation of industrial
Rates – rural	0.0034	24,790	42,667,576,979	Valuation of rural
Rates – other	0.0043	7,147	12,483,525,975	Valuation of other
Subsidies	1.00	31.13498	54,386,160	The total of the subsidies

Calculated standards by function

The Commission uses Table 34 and Table 35 to determine a council's raw calculation for each of the assessed functions by calculating each individual council's unit of measure per capita, comparing it with the similar figure from the table and then multiplying the difference by the standard from the table and the council's population. If cost relativity indices are applicable, they are included as a multiplier against the council's unit of measure per capita.

It must be stressed that this process determines whether a single council has a greater than average capacity to provide services (and is therefore a per capita minimum council) or a less than average capacity. For councils with a less than average capacity, the raw calculation determines the share of the available pool of funding to which the council is entitled, subject to the application of final constraints.

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 calculation figure.

Where the raw calculation per head of population for a council is less than the per capita minimum established as set out in the Act, (\$21.49 for 2021–22), the calculation 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 calculation. This process provides what the Commission call its 'per capita applied' grant.

Commission determined limits, known as constraints or caps and collars, may then be applied to per capita grants to minimise the impact on council's budgetary processes or for the Commission to manage changes in grants (up or down) as a result of methodology changes or other external impacts on the pool of available funding. In the calculation of the 2021–22 grants, the Commission constrained changes to councils to between minus 10 and positive 40 per cent. An iterative process is then undertaken until the final 'estimated grant' is determined.

Identified local road grant

In South Australia, the identified local road grants pool is divided into formula grants (85 per cent) and special local road grants (15 per cent). The formula component is divided between metropolitan and nonmetropolitan 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 road length and population. In the non-metropolitan area, allocations are made on an equal weighting of road length, population and the area of each council.

Distribution of the special local road grants is based on recommendations from the Local Government Transport Advisory Panel. The Panel is responsible for assessing submissions from the metropolitan local government group and regional associations on local road projects of regional significance.

Outback Communities Authority

The Outback Communities Authority (OCA) was established in July 2010 under legislation of the South Australian Parliament and is prescribed as a local governing body for the purposes of the Commission's recommendations for distribution of Financial Assistance Grants. It has a broad responsibility for management and local governance of the unincorporated areas of South Australia. The OCA has a particular emphasis on the provision of local government-type services normally undertaken by councils elsewhere in the state.

Due to the lack of comparable data, the Commission is not able to calculate the grant to the OCA in the same manner as grants to other local governing bodies. Rather, a per capita grant has been established. The 2021–22 per capita grant was \$559.32.

Aboriginal communities

Since 1994–95, the Commission has allocated grants to 5 Aboriginal communities recognised as local governing authorities for the purposes of the *Local Government (Financial Assistance) Act 1995 (Cth)*. The Aboriginal communities are: Anangu Pitjantjatjara Yankunytjatjara, Gerard Community Council Inc., Maralinga Tjarutja, Nipapanha Community Council Inc., and Yalata Community Council Incorporated.

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 used 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 in line with the increase in the general purpose pool of funding for South Australia (SA) since the initial study. For the 2021–22 financial year, the per capita grant varied from \$221.70 for the Gerard Community Council to \$1,583.97 for the Maralinga Tjarutja Community.

Methodology changes for 2021–22 from that used in 2020–21

For 2021–22, the Commission reviewed the other needs assessment of its expenditure assessments. The other needs assessment enables the Commission to recognise cost pressures on local government services that are not easily measured, i.e. regular data is not available to provide information on the impacts of services.

While the Commission retained the allowances provided for isolation, the proportion of Indigenous residents of councils and the impacts of unemployed people on councils, it did resolve to remove the allowance provided for non-resident use.

An allowance for non-resident use had been applied by the Commission in recognition of the use of council services by non-residents, including tourists and residents from neighbouring councils who may use the services of a council.

The Commission reassessed its approach to non-resident use, forming the view that revenue and expenditure from non-resident use was already included in the existing structure of the model, e.g. rate revenue included the proceeds of tourism income, and the costs of providing waste management (of rubbish from tourists) were reported by councils as part of the overall expenditure on waste management.

The Commission also continued to focus efforts on the movement of grants via the application of constraints to the grant recommendations for 2021–22. This process addressed changes in per capita applied grants to councils that had occurred during the previous 3 years when indexation of the Financial Assistance Grant had been frozen. Constraints on changes in grants during the indexation pause saw per capita applied grants for many councils trending away from their estimated grants for previous years and the Commission implemented a range of constraints between negative 10 per cent and positive 20 per cent to address some of these trends.

Developments in the use of long-term financial and asset management plans

Each one of South Australia's 68 councils is required, by section 122 of the *Local Government Act 1999 (SA)*, to develop and adopt a long-term financial plan and an infrastructure and asset management plan, each covering a period of at least 10 years.

The Local Government Association of SA (LGASA) continued to provide advice and assistance to the sector in 2021–22 through resources that were developed and distributed during its previous Financial Sustainability Program (FSP) (2005–2017).

Those published, reviewed, or updated in 2021–22 included:

- Model Financial Statements
- Model Rates Notice Templates.

The LGASA is undertaking a project aimed at enhancing asset management capacity and capability in the sector through the provision of a suite of information papers. A list of 13 topics has been developed based on conversations with the Institute of Public Works Engineering Australasia (IPWEA) and on common observations contained within recent Auditor-General reports. During 2021–22, the first 3 papers, which included

- Financial Projections for Long-Term Financial Plans
- Levels of Service
- Asset Management System (Policy, Strategy and Plan),

were finalised and made available to LGASA-member councils.

Actions to develop and implement comparative performance measures between local governing bodies

Comparisons between councils on a wide range of data are facilitated by the annual publication by the Commission of annual database reports dating back to 1995–96, and are available at <https://www.dit.sa.gov.au/local-government/grants-commission/publications#database>.

Financial indicators

The Local Government (Financial Management) Regulations 2011 require councils to use 3 specific financial indicators in their financial planning and reporting: the operating surplus ratio, the net financial liabilities ratio and the asset renewal funding ratio. The Office of Local Government published detailed explanatory information about each financial indicator and trend data covering individual councils on the Councils in Focus website accessible at <https://councilsinfocus.sa.gov.au/>.

Each year, the LGASA also assembles an update report providing the latest values, history and comparisons of key financial indicators for the local government sector. The 2022 update report (covering the period from 1 July 2011 until 30 June 2021) included data on the 3 financial indicators for the sector as a whole and provided a comparison between categories of councils in respect of 2019–20 actual results for their operating surplus ratio and net financial liabilities ratio.

Reforms undertaken during 2021–22 to improve the efficiency and effectiveness of local government service delivery

Local Government Research and Development Scheme

The Local Government Research and Development Scheme (the Scheme) continued as a primary source of funding for research in local government, funded through tax-equivalent payments by the Local Government Finance Authority. The Scheme's governance was overseen by an advisory committee, the purpose of which was to provide independent and objective advice to the LGASA Board. The advisory committee consists of 3 members of the LGASA Board, a metropolitan council chief executive officer (CEO), a country council CEO, a representative from local government trade unions, a representative from South Australian universities, a representative from the Office of Local Government, and the LGASA Chief Executive.

From its inception in 1997 until 30 June 2022, the Scheme had approved over 780 projects, with approximately \$33 million in approved funding. The Scheme was delivered through 2 competitive grant rounds, a regional capacity-building program and strategic initiatives for the benefit of local government. This has attracted significant matching funds and in-kind support from other sources. The project outcomes for the funded projects are available through the LGASA research library website at <https://www.lga.sa.gov.au/members/members-services-pages-with-public-permission-links/research-and-publications/research-library>.

Projects approved for funding during 2021–22 include:

- 2021.01 – Supporting Councils in the Implementation of the *Planning and Design Code* and PDI Act
- 2021.02 – Local Government Reform Implementation (branded 'LG Equip')
- 2021.03 – 2022 Council Elections Project – Phase One

- 2021.04 – Support for Councils in Community Wellbeing
- 2021.50 – Local Government Authorised Persons Professional Framework Review
- 2021.66 – Asset Management Plan Summary Template
- 2021.70 – Local Government Cyber Security Toolkit.

Initiatives undertaken and services provided by local governments to Aboriginal and Torres Strait Islander communities

During 2021–22, the LGASA continued to strengthen its partnerships with Reconciliation SA. Through this partnership, the Local Government Reconciliation Industry Network Group (LG RING) continued to meet and was well-attended by senior council representatives.

The LG RING recognises the important role councils play building and enhancing respectful relationships and understanding between First Nations people and the broader community. The LG RING has provided an opportunity for elected members and senior leaders to come together to exchange information, build relationships and networks and develop, support and promote shared reconciliation initiatives and activities.

Additionally, in partnership with Reconciliation SA, the LGASA was successful in applying for a \$50,000 National Indigenous Australians Agency local investments grant. The purpose of this grant was to increase the voice of First Nations people in local government in South Australia. Through the grant, a project officer was employed at Reconciliation SA for 12 months to work with SA councils.

The project officer worked with SA councils to:

- promote the SA council elections with First Nations communities
- support First Nations people to participate and engage in council elections and processes
- support the cultural safety and awareness of staff and volunteers working in local government
- support the implementation of the LG RING
- promote and engage local government bodies in reconciliation, including opportunities to participate in the Reconciliation Action Plan program.

In addition, the Government of South Australia funds the provision of municipal services to Aboriginal communities outside of the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands.

The municipal services for the Aboriginal Lands Program are administered by the Office of Local Government.

Over 2021–22, \$3 million (excluding GST) was provided to deliver municipal services, including waste management, dog control and environmental health, road maintenance and water provision.

Of the 18 service providers funded, 4 are local councils or a similar body, including:

- Berri Barmera Council for services to the Gerard Aboriginal community
- District Council of Yorke Peninsula for services to the Point Pearce Aboriginal community
- District Council of Coober Pedy for services to Umoona Aboriginal community
- The Outback Communities Authority for services to the Dunjiba Aboriginal community.

This funding will continue to be provided to communities during 2021–22 to support these vital services.

Local government reform activities by the jurisdiction during the 2021–22 reporting period including deregulation and legislative changes

Local government reform

The Statutes Amendment (Local Government Review) Act 2021 passed Parliament and received the Governor's assent on 17 June 2021.

Key reforms include:

- a new conduct management framework for council members
- an expansion of expert, independent advice to councils on a range of critical financial and governance matters
- a modern approach to public consultation
- a range of improvements to regulation, to reduce councils' costs.

The reforms are commencing in stages. A number of reforms commenced during 2021–22, including:

- most of the 'simpler regulation' reforms which modernise and improve regulatory requirements that apply to councils under the *Local Government Act 1999* (the Act)
- amendments to the Act to implement financial accountability reforms, including a requirement for councils to report on expected changes to general rate revenue in a consistent way in their annual business plans
- the introduction of a new role for the Essential Services Commission of South Australia (ESCOSA) to provide advice to councils on a 4-yearly rotational basis in relation to a council's long-term financial plan, infrastructure and asset management plan, and revenue sources, as outlined in the council's funding plan
- significant amendments to the *Local Government (Elections) Act 1999*, including changes to the nomination process, changes to core election dates, and new requirements for candidates to furnish campaign donations returns prior to the close of voting.

The LGASA is supporting councils with the implementation of reforms through the LG Equip program. The LG Reform website was launched in August 2021 and provides LGASA-member councils with information relevant to provisions scheduled for commencement. During 2021–22, 143 explanatory items and 50 information sheets were published to the website, which can be found at <https://dit.sa.gov.au/local-government/office-of-local-government/local-government-reform>.

The LGASA also developed and/or updated approximately 20 other resources such as best practice guidelines, model policies, templates, and reports.

The LGASA has held or facilitated several electronic forums (via Zoom) for council staff, including with relevant stakeholders such as the South Australian Ombudsman (Mr Wayne Lines) and ESCOSA, to support implementation of the reforms.

Report from the Tasmanian Government

Tasmanian method for distributing the Financial Assistance Grant for 2021–22

In arriving at its recommendations, the State Grants Commission considers the requirements of the National Principles issued under the *Local Government (Financial Assistance) Act 1995 (Cth)* – namely Horizontal Equalisation, Effort Neutrality, Minimum Grant, Other Grant Support, Aboriginal Peoples and Torres Strait Islanders and Council Amalgamation for the base grant allocations; and Asset Preservation for the road grant allocations.

For the following explanation, the general purpose grant portion of the Financial Assistance Grant funding is referred to as the base grant, and the identified local road funding is referred to as the road grant.

Methodology used for calculating base grant allocations

The base grant is distributed using a 2-pool approach. Firstly, 30 per cent of the base grant is allocated to councils based on their share of the state's total population (this is referred to as the per capita grant), and secondly, the remaining 70 per cent of the base grant (the relative needs pool) is allocated on a relative needs or equalisation basis. This is seen as the simplest and most transparent means of distributing the base grant according to relative need, Horizontal Equalisation (National Principle 1) and the Minimum Grant (National Principle 3).

Each year, the Commission uses a balanced budget equalisation model to calculate the distribution of the relative needs pool. Each council's relative needs grant is determined by the difference between the Commission's assessment of each council's expenditure requirement necessary to provide services to a common standard with all other councils, and each council's capacity to raise revenue to fund the delivery of those services, as calculated by the Commission. The difference between the Commission's assessment of each council's revenue capacity and expenditure requirement indicates each council's relative need for additional support, and thus a share of the relative needs pool.

Councils that are assessed as having a standardised surplus (that, where their assessed revenue capacity is greater than their assessed expenditure requirement) are regarded as having sufficient capability to function, by reasonable effort, at a standard not lower than the average of other Tasmanian councils. As such, these councils do not receive a share of the relative needs pool. These councils, referred to as 'minimum grant councils', only receive their population share of the base grant.

The relative needs pool is allocated amongst councils assessed as having a standardised deficit (that is, where their assessed expenditure requirement is greater than their assessed revenue capacity). An assessed deficit indicates that the council does not have sufficient capability to function, by reasonable effort, at a standard not lower than the average standard of other Tasmanian councils, and thus requires additional support. The relative needs pool is allocated amongst the 'relative needs councils' in proportion to their respective standardised deficits.

The standardised surplus/deficit calculation is:

Revenue Capacity minus Expenditure Requirement = Assessed Surplus / Assessed Deficit.

Revenue Capacity is calculated as the 3-year average of:

- the revenue a council would raise by applying the statewide average rate to the adjusted assessed annual value of all its properties subject to rates and charges (standardised revenue) plus
- the council's per capita grant allocation plus
- Other Financial Support (OFS) receipts that meet the criteria for inclusion, in accordance with the requirement to apply Other Grant Support (National Principle 4).

Expenditure Requirement is calculated as follows:

- a 3-year average of the expenditure required to provide a common range of services (standardised expenditure) plus
- any additional allowances provided to councils for either doctors' practices or airports plus
- the Budget Result Term (BRT), which is a per capita allocation of the difference between all statewide sources of revenue, including the current year's grant pool, and all statewide expenditure requirements. The inclusion of the BRT enables the assessment of every council's relative need using a balanced budget approach at a state level.

Standardised Expenditure is calculated for each functional category¹, with the exception of roads, as follows.

1. Calculate each council's actual expenditure, net of any operational OFS receipts that meet the criteria for recognition as OFS by deduction, in accordance with the requirement to apply Other Grant Support (National Principle 4).
2. Sum the net council expenditure to determine the total statewide expenditure (total actual expenditure).
3. Redistribute the total statewide expenditure between all councils on a per capita basis (standard expenditure).
4. Then apply cost adjustors to each council's standard expenditure to reflect inherent cost advantages / disadvantages faced by individual councils in providing services. In the base grant model, the cost adjustors are:
 - Absentee population
 - Climate
 - Dispersion
 - Isolation
 - Population decline
 - Service Industry Employment (SIE)
 - Scale (admin)
 - Scale (other)
 - Tourism
 - Worker influx
 - Socio-Economic Indexes For Areas (SEIFA) – Index of Relative Socio-economic Disadvantage (IRSD).

1 The Commission's base grant equalisation model assesses council expenditure using the following functional categories: General Administration; Health, Housing and Welfare; Law, Order and Public Safety; Planning and Community Amenities; Waste Management and the Environment; Recreation and Culture; Other; and Roads

The Commission has formally investigated and considered the issue of how to recognise the needs of Aboriginal peoples and Torres Strait Islanders within council boundaries in its base grant assessment process. Based on both the Index of Relative Indigenous Socioeconomic Outcomes and advice provided by those councils with the highest proportion of their populations recognised as Indigenous, the Commission has formally determined that no additional adjustments are needed, within Tasmania's base grant model methodologies, in order to account for the different needs of Aboriginal peoples and Torres Strait Islanders across municipalities in Tasmania.

Standardised Road expenditure for the base grant equalisation model is calculated as follows:

1. Calculate each council's actual expenditure, net of any operational OFS receipts that meet the criteria for recognition as OFS by deduction, in accordance with the requirement to apply Other Grant Support (National Principle 4).
2. Sum the net council expenditure to determine the total statewide expenditure (total actual expenditure).
3. Redistribute the total statewide road expenditure based on each council's relative share of the distribution of the road grant as calculated by the Road Preservation Model (RPM). The RPM methodology is explained in the following section.

Methodology used for calculating Road Grant allocations

The RPM is used by the Commission to distribute the road grant amongst councils. The RPM assesses each council's share of the annualised cost for the whole-of-life preservation cost of council road, bridge and culvert assets in the state.

The RPM uses 3 standard profiles, based on typical Tasmanian road characteristics, to categorise roads in Tasmania, as well as average costs to construct and maintain these roads over their typical lifetime. This is used to calculate the state average cost per kilometre, per year, for councils to maintain their road networks. The 3 road types used in the assessment are Urban Sealed, Rural Sealed and Unsealed Roads. Council bridge and culvert asset preservation requirements are accounted for through the inclusion of 4 bridge types and 2 culvert types in the asset preservation cost assessment.

Cost adjustors and allowances are applied within the RPM to account for relative cost advantages or disadvantages faced by councils in maintaining their roads. The road cost adjustors are rainfall, terrain, traffic and remoteness. An urbanisation allowance is also applied to eligible road lengths in recognised urban areas. The RPM also includes an allowance to recognise additional costs in respect of the road network on Bruny Island. The Commission does not apply any cost adjustors to its standard bridge or culvert asset preservation costs.

The RPM calculates an assessed annualised cost for each council to preserve its road network. The road grant is then distributed to councils based on their share of the total statewide assessed annual asset preservation costs.

Grant stability

The Commission is aware of councils' preference for grant stability. As such, in finalising the base grant allocations each year, the Commission applies a 15 per cent increase cap, and a 10 per cent decrease floor.

Caps and floors are not used in the RPM model.

Reviews

The Commission monitors council practices to ensure that its methods for distributing both the base grant and road grant are contemporary and equitable. The Commission also monitors developments in local council policies, with a view to ensuring that the Commission’s modelling reflects standard council policies. The annual hearings and visits process conducted by the Commission allows the Commission to monitor council practices and consult on proposed changes to its distribution methodology.

The Commission implements changes when it deems appropriate, after considering all relevant matters and following a consultation process with councils.

Data sources

The Commission’s models are primarily data driven, which means that significant changes in data can influence calculated grant shares. The Commission takes the accuracy and consistency of data seriously and actively seeks to increase the integrity of data used within its assessments. The Commission uses data from many sources to inform its models and decisions, including data from the Australian Bureau of Statistics, the Tasmanian Valuer-General, Tourism Research Australia, the Bureau of Meteorology, various State and Australian Government departments, engineering advice and data sourced from councils, either directly, or through the Office of Local Government’s annual Consolidated Data Collection process.

The main datasets sourced by the Commission to inform its models, and where the data is sourced from, are detailed in Table 36.

Table 36 *Tasmanian data sources*

Data used	Sourced from
Population, population dispersion, workforce movements, place of usual residence, dwellings unoccupied to total dwellings as per Census night survey, IRSD	Australian Bureau of Statistics (ABS) (Commonwealth)
Assessed annual values data by municipality	Office of the Valuer-General (Department of Primary Industries, Parks, Water and Environment)
Domestic day tripper data Bed capacity data	Tourism Research Australia (Commonwealth) Tiger Tours (Tourism Tasmania)
Unemployment, labour force data	Department of Employment (Commonwealth)
Rainfall data	Bureau of Meteorology (Commonwealth)
General practice, airport costing data	Affected councils
Car parking operations	Office of Local Government (Department of Premier and Cabinet)’s Consolidated Data Collection Returns (Tasmania)
All council revenue and expenditure, by function / expense category, grant and other financial support receipts received	Office of Local Government (Department of Premier and Cabinet)’s Consolidated Data Collection Returns (Tasmania)
Road lengths and type	Office of Local Government (Department of Premier and Cabinet)’s Consolidated Data Collection Returns (Tasmania)
Roads to Recovery funding	Department of Infrastructure, Transport, Regional Development, Communications and the Arts (Commonwealth)
Tasmanian Freight Survey – freight task by council road network by road type	Department of State Growth (Tasmania)

Data used	Sourced from
Road component construction costs, Road and Bridge Construction Index	Australian Institute of Quantity Surveyors Australian Bureau of Statistics Consultant Engineers Councils
Geographic Information System (GIS) rainfall and terrain data broken down by road type and road slope	Department of Primary Industries, Parks, Water and Environment (Tasmania)
Bridge and culvert asset inventory, including location, dimensions and construction type	Office of Local Government (Department of Premier and Cabinet)'s Consolidated Data Collection Returns (Tasmania)

For comprehensive details on the Tasmanian State Grants Commission's methodology for determining its 2021–22 Financial Assistance Grants recommendations (both base grants and road grants), please refer to the *State Grants Commission Financial Assistance Grants Distribution Methodology Paper*, the *State Grants Commission 2020–21 Annual Report, including 2021–22 Financial Assistance Grant Recommendations (Report #45)*, and the *State Grants Commission 2021–22 Financial Assistance Grant Data Tables*, all of which are available on the Publications page of the State Grants Commission website at www.treasury.tas.gov.au/state-grants-commission/publications.

Methodology changes for 2021–22 from that used in 2020–21

2021–22 methodology

For the 2021–22 base grant recommendations, the Commission has changed its method of measuring the impact of non-residents on council services and activities.

This involved replacing the Regional Responsibility Cost Adjustor with a Service Industry Employment (SIE) Cost Adjustor. The new SIE Cost Adjustor utilises the Australian Bureau of Statistics' employment data for those divisions of employment categorised as Service Industries (that is, Retail Trade; Accommodation and Food Services; Financial and Insurance Services; Rental, Hiring and Real Estate Services; Administrative and Support Services; Public Administration and Safety; Education and Training; Health Care and Social Assistance; Arts and Recreation Services; and Other Services).

The Commission considers the Service Industry Employment Cost Adjustor, which is based on Census data, to be a better reflection of this non-resident impact compared to the previous Regional Responsibility Cost Adjustor which was more asset-based.

Legislative change

There were no changes made to the *State Grants Commission Act 1976* during the 2021–22 year.

Developments in the use of long-term financial and asset management plans

The *Local Government Act 1993* was amended in 2014 to require all councils to prepare and maintain long-term financial management plans, financial management strategies, long-term strategic asset management plans, and asset management policies and strategies.

The Office of Local Government within the Department of Premier and Cabinet continues to monitor councils' compliance with the requirements to maintain this set of financial and asset management documents.

Actions to develop and implement comparative performance measures between local governing bodies

The Tasmanian Audit Office's annual *Auditor-General's Report on the Financial Statements of State Entities* considers council financial performance, including performance against a series of financial performance ratios. Its report addressing the 2021–22 reporting year is anticipated to be tabled in Parliament in late March 2023.

The Audit Office uses a set of financial performance ratios specified in the Local Government (Management Indicators) Order 2014, which requires that councils' annual financial statements disclose their:

- net financial liabilities
- net financial liabilities ratio
- underlying surplus or deficit
- underlying surplus ratio
- asset consumption ratio
- asset renewal funding ratio
- asset sustainability ratio.

This suite of indicators, considered together, is intended to facilitate understanding of individual council performance and comparison between councils and categories of councils.

The Office of Local Government manages an annual Consolidated Data Collection (CDC) process for council financial and performance data, and this information is made available to the public through the Land Information System Tasmania portal.

Drawing upon the CDC, the Future of Local Government Review Secretariat publishes a council performance dashboard on that Review's website (<https://www.futurelocal.tas.gov.au/council-data/>). This dashboard will be developed into an ongoing public information tool and maintained beyond the Review's duration.

Reforms undertaken during 2021–22 to improve the efficiency and effectiveness of local government service delivery

The Tasmanian Government commissioned the Local Government Board, established under the *Local Government Act*, to undertake the Future of Local Government Review. The Board is to deliver recommendations to the Minister for Local Government to create a more robust and capable system of local government in Tasmania. The Board was appointed in December 2021, and the Review commenced formally in January 2022.

Phase 1 of the Review culminated in the delivery of the Board's Interim Report to the Minister in June 2022. The initial phase delivered a series of historical and policy research reports for public audiences, canvassing: the history of local government in Tasmania; national and international trends; and place shaping and the prospective role of local government. A broad community and stakeholder engagement program included:

- 20 pop up events, connecting 600 members of the community
- 4 workshops for interest groups, with 67 peak body attendees
- 17 statewide community workshops, with 172 participants overall
- sector workshops, with 70 councillors and 150 employees in attendance overall

- 467 online surveys
- 39 written submissions.

The Interim Report outlined challenges and opportunities for Tasmania's local government sector, namely that

- local and place-based service design and delivery is important for some service types
- councils are pressured by their role as a 'government of the gaps'
- clear delineation of roles was desirable
- sustainability challenges are structural and economies of scope and scale are required
- Tasmanians value local voice and representation.

The Future of Local Government Review is continuing and will deliver its final report to the Minister for Local Government in June 2023. Further information will be provided in future reporting years.

Initiatives undertaken and services provided to Aboriginal and Torres Strait Islander communities

Tasmanian councils continued to provide a range of services to Aboriginal and Torres Strait Islander communities and community organisations in 2021–22.

Between May and July 2022, the Office of Local Government in collaboration with the Local Government Association of Tasmania (LGAT) conducted a Local Government Aboriginal Audit – a key action in the Tasmanian Implementation Plan for Closing the Gap (2021–2023) and the Australian Local Government Association Closing the Gap Implementation Plan. The purpose of the Audit was to capture the existing work of local government in Tasmania to ensure alignment with the 4 Priority Reforms identified in the National Agreement on Closing the Gap (the National Agreement) and existing and new Key Targets. The information from the Audit will be used to inform existing and future partnerships and identify, inform and establish priority work aligned to the National Agreement.

Overall, many councils agree that the development and implementation of an action plan is central to achieving the agreed outcomes and targets contained in the National Agreement. A Reconciliation Action Plan appears to be the preferred type of action plan for most councils. Other options being explored by councils include an Aboriginal Partnership Plan, an Aboriginal Commitment and Action Plan, a Policy on Aboriginal Inclusion and an Aboriginal and Torres Strait Islander Recognition Strategy. Amendments to provisions relating to council policies and tenders in the *Local Government Act 1993* have also been suggested as a means for improving Aboriginal inclusion.

As at July 2022, 4 councils had developed and implemented a Reconciliation Action Plan that aligns with Closing the Gap objectives:

- Hobart City Council – City of Hobart Aboriginal Commitment and Action Plan (January 2020–January 2022).
- George Town Council Reflect Reconciliation Action Plan (November 2022 – June 2023).
- Huon Valley Council Reflect Reconciliation Action Plan (December 2021 – December 2022) was endorsed by both Reconciliation Australia and Huon Valley Councillors at the end of 2021.
- In December 2021, Central Coast Council launched its Reconciliation Action Plan (December 2021 – June 2023), which was developed with the involvement of an Aboriginal community representative, an Aboriginal Elder and younger school students.

In lieu of a Reconciliation Action Plan, Launceston City Council released its draft Aboriginal Partnership Plan as part of its Community Engagement strategy for public consultation in late 2022. Consultation has closed and the Council is now reviewing feedback.

The remaining councils are at different stages of developing a Reconciliation Action Plan and have indicated that they will require assistance from LGAT and the Office of Local Government in this regard.

In late 2022, Kingborough Council in conjunction with Performing Lines Tasmania and creator Nunami Sculthorpe-Green launched a new Tasmanian Aboriginal tour at Trial Bay.

George Town Council has allocated \$30,000 in its draft 2022–23 budget towards reconciliation activities including enhancing cultural safety of the workspace and public areas.

Local government reform activities including deregulation and legislative changes progressed in Tasmania in 2021–22

The *Local Government Amendment (Elections) Act 2022* (the amending Act) received royal assent on 16 June 2022. The amending Act introduced compulsory voting at Tasmanian local government elections for electors on Tasmania's House of Assembly electoral roll; and simplified vote formality requirements for elections for the office of councillor. These provisions were introduced in anticipation of Tasmania's 2022 local government elections held in September and October 2022.

The provisions were highly effective, with Tasmania's statewide turnout rate rising to 84.79 per cent, as compared to 58.39 per cent for the local government elections held in 2018 (including the Glenorchy City Council elections conducted separately). Notable reductions in informal voting were also recorded in large councils.

Work continued in the reporting year to progress the enhancement of the Code of Conduct framework for councillors, requiring mediation before matters proceed to the statutory Code of Conduct Panel. Additional information will be provided in future reporting years.

Report from the Local Government Association of Tasmania (LGAT)

Developments in the use of long-term financial and asset management plans

In 2021–22, LGAT continued a long history of supporting councils in financial and asset management.

Networks to support continual improvement

LGAT continued to facilitate the regular meetings of the statewide Tasmanian Asset Management Group, a network of financial and asset management professionals from Tasmanian councils, Tasmanian Government departments, government business enterprises, and other public infrastructure authorities, such as TasWater. The group focuses on collaborative, continual improvement work and professional development in the financial and asset management space.

Financial and asset management tools and templates

LGAT maintains an array of guidance material on long-term financial and asset management planning. This includes 21 Practice Summaries that cover topics ranging from asset management policy, plan and strategy development, to condition assessment, valuation practices, information systems and asset registers.

In addition, LGAT maintains the Strategic Asset Management Plan (SAMP) template to support Tasmanian local government asset management. The template is used by local government to simplify the process of developing an Asset Management Strategy and Strategic Asset Management Plan. Councils found that combining Strategic Asset Management Plans into one document could be an efficient and effective process and still meet the Tasmanian *Local Government Act 1993* requirements.

LGAT followed this work by supporting training sessions in how to use the SAMP template and council case studies of their SAMP development pathway.

Actions to develop and implement comparative performance measures between local governing bodies

Please refer to the Tasmanian Government's response on this question.

We note that the Future of Local Government Review, detailed below, is considering performance measurement and reporting for councils.

Reforms undertaken during 2021–22 to improve the efficiency and effectiveness of local government service delivery

Future of Local Government Review

The Future of Local Government Review has been commissioned by the Tasmanian Government to ensure Tasmania's system of local government is robust, capable, and ready for the challenges and opportunities of the future. The Review is exploring the role, function, and design of local government in Tasmania. The Minister for Local Government and Planning appointed a Local Government Board under the *Local Government Act 1993* to undertake the Review to consider:

- the future roles and functions that should be delivered by local government in Tasmania
- the organisational features and capabilities necessary to enable local government to effectively and sustainably deliver its future roles and functions
- the optimal future design for the Tasmanian local government sector to support the delivery of local government's proposed roles, functions, features and capabilities, individually and collectively, across representative and administrative roles and functions
- a practical transition plan for implementing the future design of local government in Tasmania, if required.

The Future of Local Government Review final report is expected later this year. More information is available at <https://www.futurelocal.tas.gov.au>.

Infrastructure financing mechanisms

In 2021–22, LGAT undertook significant research into infrastructure contributions across Australia to inform policy development for local government in Tasmania. The research found that Tasmania's legislative framework for local government infrastructure contributions trails that of other states and particularly examples of best practice, such as Queensland's infrastructure charges system. This leaves Tasmanian councils, the local development industry and the community at a disadvantage when attempting to cater for growth and meet development and infrastructure demands. LGAT is advocating for substantial improvements in infrastructure contributions legislation and support to enable better financial sustainability and infrastructure provision for development.

The Infrastructure Contributions discussion paper is available on LGAT's website at https://www.lgat.tas.gov.au/_data/assets/pdf_file/0030/1139691/LGAT-Infrastructure-Contributions-Discussion-Paper-11-April-2022.pdf.

Review of elected representative's health and safety

We undertook a review of the workplace health and safety of the local government sector for elected representatives. This review was in response to the impacts on the health and safety of mayors and councillors from some interactions with peers and members of the public. The report will develop a series of recommendations for how matters can be addressed, and further support provided to elected representatives in the performance of their functions.

Workplace Behaviours Toolkit

We maintained the Workplace Behaviours Toolkit, which helps to ensure that councils are places where people are treated with courtesy, dignity, and respect. The Toolkit broadly aims to assist councils with:

- compliance flowing from their legal obligations to provide positive workplace standards for behaviour
- best practices for understanding and applying expected standards of workplace behaviour
- effectively dealing with expected standards of workplace behaviours.

The Toolkit includes policies and procedures, implementation and support documents and advisory documents.

Whole of sector Human Resources (HR) Helpdesk

LGAT maintains a general HR Helpdesk to Tasmanian councils, supported by Edge Legal. The HR Helpdesk was originally used to assist councils with the implementation of the Workforce Behaviours Toolkit. This service has now expanded to additional services including: performance management, disciplinary processes, fitness for work and injured employees, employee entitlements, restructuring, redeployment and redundancy advice, plus policy and procedure implementation support.

Procurement

LGAT Procurement is an arm of LGAT that aims to help councils undertake best practice procurement and deliver value for money for their communities. In 2021–22, we did this by:

- providing 24 panel arrangements that cover a broad range of goods and services
- delivering 9 training sessions
- providing expert procurement advice
- establishing a procurement network to support collaboration between council officers.

In 2021–22, council spending under the panel arrangements exceeded \$13 million and total estimated savings for councils was more than \$2 million.

In addition to this work, LGAT Procurement initiated a 5-year program to further enhance the procurement services provided to the sector. The program will include:

- establishing a reference group to inform and guide LGAT procurement activity
- developing a training solution to support procurement capability within councils
- developing and implementing a strategy to increase local suppliers within contracts
- establishing a set of Tasmanian specific construction panel contracts
- investigating aggregated tenders for specific contracts
- developing and implementing a sustainable procurement program linked to council strategy and guided by the reference group
- establishing a procurement knowledge centre for local government
- creating a consultancy, fee-for-service procurement capability for councils.

Initiatives undertaken and services provided by local governments to Aboriginal and Torres Strait Islander communities

LGAT collaborated with the Office of Local Government in the Department of Premier and Cabinet to produce the *Tasmanian Local Government Aboriginal Audit Report 2022*. This report describes how councils across Tasmania are addressing outcomes in the Closing the Gap Implementation Plan. This baseline information will be used to design the most appropriate and effective ways for local government to improve Closing the Gap outcomes.

Report from the Northern Territory Government

Northern Territory method for distributing the Financial Assistance Grant 2021–22

The Northern Territory Grants Commission's (the Commission's) methodology conforms to the requirement for horizontal equalisation as set out in section 6(3) of the *Local Government (Financial Assistance) Act 1995 (Cth)*.

The Commission, in assessing relative need for allocating general purpose funding, uses the balanced budget approach to horizontally equalize, based on the formula:

Assessed expenditure need minus assessed revenue capacity = assessed equalisation requirement.

The methodology calculates standards by applying cost adjustors and average weightings to assess each local government's revenue-raising capacity and expenditure need.

The assessment is the Commission's measure of each local government's ability to function at the average standard in accordance with the National Principles.

Population

From 2008–09, the Commission resolved to use the latest Australian Bureau of Statistics estimated resident population figures and then adjust the figures to align with the population total advised to Canberra from the NT Government's Department of Treasury and Finance. The Northern Territory's funding is based on this total population figure. The same rationale was used for the 2021–22 calculations.

Revenue-raising capacity

As the ownership of the land on which many communities are located across the Northern Territory is vested in land trusts established pursuant to the *Aboriginal Lands Rights (Northern Territory) Act 1976 (Cth)*, it is not feasible to use a land valuation system solely as the means for assessing revenue-raising capacity.

The collection of actual accurate financial data through the Commission's annual returns enabled a number of revenue categories to be introduced, including municipal and regional and shire council rates, domestic waste and interest.

In addition, to accord with the National Principles, other grant support to local governing bodies by way of the Roads to Recovery, library and local roads grants are recognised in the revenue component of the methodology. In the case of recipients of the Roads to Recovery grants, 50 per cent of the grant was included. Recipients of library grants and local roads grants have the total amount of the grant included.

The Commission considers that given unique circumstances within the Northern Territory, this overall revenue-raising capacity approach provides a reasonable indication of a council's revenue raising capacity. For the 2021–22 allocations, financial data in respect of the 2019–20 year was used.

Expenditure needs

The assessment of standard expenditure is based on the Northern Territory's average per capita expenditure within the expenditure functions to which cost adjustors reflecting the assessed disadvantage of each local government are applied.

The Commission currently uses the 9 expenditure functions in accordance with the Australian Bureau of Statistics Local Government Purpose Classifications. The assessment model ensures that the gross standard expenditure for each function equals the total actual identified expenditure of councils.

The total identified local government expenditure across all the Northern Territory councils in 2019–20 amounted to \$310 million. Therefore, under the methodology the gross standard expenditure equals \$310 million, with each of the 9 expenditure functions assuming the same share of both actual and standardised expenditure.

Cost adjustors

The Commission uses cost adjustors to reflect a local government's demographics, geographical location, its external access and the area over which it is required to provide local government services. All these influence the cost of service delivery. The Commission used location, dispersion and Aboriginality as cost adjustors for the 2021–22 methodology.

Minimum grants

For most local governments, the assessed expenditure needs exceed the assessed revenue capacity, meaning there is an assessed need. In 2021–22, 3 councils' assessed revenue capacity was greater than assessed expenditure need, meaning that there was no assessed need. However, as the legislation requires that local governments cannot get less than 30 per cent of what they would have been allocated had the funding been distributed solely on the basis of population, the 3 local government councils still received a grant by applying the minimum grant National Principle.

Formulae

1. Revenue component

Table 37 Formula for revenue component for all councils in the Northern Territory

Element of the formula	Details of the element
Assessed revenue-raising capacity	Total identified local government revenue
Total local government revenue	Assessed Northern Territory average revenue plus other grant support plus the budget term
Where:	Domestic waste, garbage other, municipal rates, regional and shire rates, special rates other, parking restricted and interest
Revenue category	
Domestic waste	Per capita
Garbage other	Actual
Municipal council rates	Average rate
Regional and shire rates	Per capita
Special rates other	Actual
Parking restricted	Actual
Interest	Actual
State income by revenue category 2019–20	Actual state local government gross income
Actual state local government gross income 2019–20	\$205,504,761
Other grant support	Roads to Recovery grant 2020–21 50 per cent, library grant 2020–21 and roads grant 2020–21
Budget term	Population x per capita amount
Total local government revenue for 2021–22 allocations	\$310,338,504

2. Expenditure components

Total local government expenditure of \$310,338,504 apportioned over each expenditure component

a. General public services (\$110,649,191)

Community population/Northern Territory population multiplied by general public services expenditure multiplied by Aboriginality

b. Public order and safety (\$20,537,231)

Community population/Northern Territory population multiplied by public order and safety expenditure multiplied by (location + dispersion + Aboriginality)

c. Economic affairs (\$44,394,519)

Community population/Northern Territory population multiplied by economic affairs expenditure multiplied by (location + dispersion)

d. Environmental protection (\$18,752,798)

Community population/Northern Territory population multiplied by environmental protection expenditure

e. Housing and community amenities (\$24,368,628)

Community population/Northern Territory population multiplied by housing and community amenities expenditure multiplied by (location + dispersion + Aboriginality)

f. Health (\$2,399,602)

Community population/Northern Territory population multiplied by health expenditure multiplied by (location + dispersion + Aboriginality)

g. Recreation, culture and religion (\$60,921,425)

Community population/Northern Territory population multiplied by recreation, culture and religion expenditure multiplied by (location + dispersion)

h. Education (\$1,487,832)

Community population/Northern Territory population multiplied by education expenditure multiplied by (location + dispersion + Aboriginality)

i. Social protection (\$26,827,278)

Community population/Northern Territory population multiplied by social protection expenditure multiplied by (location + dispersion + Aboriginality)

3. Local road grant funding

To determine the local road grant the Commission applies a weighting to each council by road length and surface type. These weightings are shown in Table 38.

Table 38 Weightings by road type in the Northern Territory

Road type	Weighting
Sealed	27.0
Gravel	12.0
Cycle path	10.0
Formed	7.0
Unformed	1.0

The general purpose location factor is also applied to recognise relative isolation.

Methodology changes for 2021–22 from that used in 2020–21

When the general purpose grants were calculated for 2021–22 using the current methodology, and incorporating the latest Australian Bureau of Statistics 2016 census estimated resident population and Commonwealth Government data, the Northern Territory population had increased by 1800 from the 2020–21 methodology.

Changes affecting the general purpose grant outcomes for individual councils included: strong population growth and decline between councils; relative changes in unimproved capital valuations of rateable properties; a decrease in identified local government expenditures relative to income; and a change in identification of some councils' contract income actually being grant income and therefore excluded from the methodology.

As a result, the Commission applied the following constraints to movements in general purpose grants for 2021–22, to moderate volatility in grant outcomes:

- no council received a general purpose grant increase of more than 10 per cent
- no council received a general purpose grant decrease of more than 5 per cent.

Consequently, 13 councils received general purpose increases for 2021–22, ranging from 2 per cent to 10 per cent, while 4 councils experienced decreases ranging from 1 per cent to 5 per cent.

The outcome for the road grant entitlements resulted in all but one local governing body receiving an increase in 2021–22. The road grant distributions primarily reflected an increase to the overall funding entitlement and councils' road data changes as advised through the annual road return process.

Developments in the use of long-term financial and asset management plans

In 2019–20, the Legislative Assembly of the Northern Territory passed the *Local Government Act 2019*, (the Act) which was due to commence on 1 July 2020. However, due to the COVID-19 pandemic, commencement was postponed to 1 July 2021. Throughout 2021–22, councils were in the process of adopting the new *Local Government Regulations 2021* (Regulations) and Guidelines issued under the new legislation which included:

- a new mandatory requirement for all councils to review their annual budget at least once in every 6 months. Where a budget amendment had a material impact on the council's long-term financial plan, the council must by resolution amend the long-term financial plan (Regulation 9).
- a new mandatory requirement for all councils to keep an electronic register of their major assets and portable and attractive assets. It also prescribed the minimum information that must be recorded in the registers (Guideline 4).

During 2021–22, councils were consulted in the development of:

- a prescribed annual budget reporting format and additional reporting requirements on planned capital expenditure and major capital works at council and local authority level
- a prescribed monthly financial reporting format and regular reporting on major capital works, tax and superannuation payment and reporting obligations, and disclosure of transactions on council credit held by Chief Executive Officers and elected members
- a prescribed annual reporting format to include unaudited statements reporting actual financial performance against budget for the year with an explanation on material variations.

Actions to develop and implement comparative performance measures between local governing bodies

Due to the postponement of the commencement of the Act, throughout 2021–22 new Regulations and Guidelines supporting the Act were developed which enable comparison of performance between councils, including a mandatory reporting format and prescribed content to be used by all councils for their monthly financial reports, a standardised format for council budgets and long-term plans.

Local Government 2030 Strategy

In 2020, the Department of the Chief Minister and Cabinet (CM&C) partnered with the Local Government Association of the Northern Territory (LGANT) and the Northern Territory's 17 local government councils in the development of the *Local Government 2030 Strategy*.

The Strategy's key focus is:

- What would a strong, responsive, well-governed and more independent third sphere of government look like in the Northern Territory?
- Where should it be in 10 years if it were successfully moving on the path to that goal?
- What is needed from the local government sector itself, the Northern Territory and Commonwealth Governments and others, to move from the current state to that vision?

The Strategy was finalised in 2022 and its implementation now sits with LGANT.

Reforms undertaken during 2021–22 to improve the efficiency and effectiveness of local government service delivery

The *Local Government Act 2019* introduced mandatory professional development for all elected members. All elected members must participate in approved training within 12 months of their election. In 2021–22, CM&C worked with councils to deliver foundation training in components of good governance, face-to-face with each council. The training focused on core areas such as the role of elected members, managing conflicts of interest, codes of conduct and financial management. Each component contained standard information about foundations of good governance, with the delivery tailored to the needs of each council. All councils received the training at their own location.

During the year, CM&C established 2 new grant programs in support of local government service delivery:

- Priority Infrastructure Fund – provided councils with the opportunity to apply for funding for local government infrastructure related projects to upgrade, repair or improve:
 - parks, playgrounds, sporting and recreational areas
 - roadworks on council managed or controlled roads
 - waste management sites
 - plant and equipment to improve local government service delivery
 - cemetery infrastructure
 - community communications infrastructure
 - council facilities
- Waste and Resource Management (WaRM) Program – provided one-off grant allocations to regional and shire councils to assist with addressing issues specific to waste and resource management issues within their council areas.

Disaster Recovery Funding Arrangements (DRFA)

In 2021–22, the NT Government approved a standardised approach for funding disaster related events by requiring all councils to make an initial upfront 25 per cent financial contribution of their eligible DRFA expenditure, up to a capped cumulative value in any financial year of \$25,000 for shire councils; \$100,000 for regional councils; and \$400,000 for municipal councils. Three million dollars was also approved to be set aside in the Treasurer's

Advance to enable CM&C to make more timely payments for eligible expenditure claimed by councils under the DRFA. This new process is aimed at reducing the impact a disaster event may have on council service delivery.

Expansion of City of Palmerston boundary

The City of Palmerston municipal boundary was expanded to include the unincorporated areas of Elrundie, Tivendale, Wishart and part of Berrimah (excluding Northcrest), as from 1 July 2022. The newly incorporated areas were in industry and future development zones and gave the predominantly residential and commercial zoned City of Palmerston a more diverse mix of property types.

Initiatives undertaken and services provided by local government to Aboriginal and Torres Strait Islanders

In 2014, local authorities were established in 63 remote communities across the Northern Territory. A further 3 local authorities were approved in 2017–18 and another one was approved in 2019–20. The primary role of local authorities is to offer community members living in regional and remote communities a stronger local voice and input on service delivery outcomes for their respective communities. One of the functions of local authorities is to determine local projects that reflect the needs and priorities of the local community.

In 2021–22, grant funding of \$4.9 million was allocated across the 9 regional councils to assist with funding priority projects, as identified by their respective local authorities. Local Authority Project Funding supports projects that encourage the continued development of local authorities and their communities and aims to:

- build stronger communities
- help local governing bodies and their communities become stronger and self-sustaining
- provide quality community infrastructure that facilitates community activity and integration
- develop local government capacity to provide legitimate representation, effective governance, improved service delivery and sustainable development.

The funding pool is distributed to local authorities through a methodology developed by the Northern Territory Grants Commission.

In 2021–22, grant funding totalling \$8.6 million was allocated to 9 regional councils and one shire council under the Indigenous Jobs Development Fund to assist with subsidising 50 per cent of the cost of employing Aboriginal staff within their respective councils. The grant provides councils with financial assistance for salaries and approved on-costs for Aboriginal employees delivering local government services. Around 500 positions are supported through this program.

Local government reform activities including deregulation and legislative changes

Draft Burial and Cremation Bill

During the financial year, CM&C drafted the draft Burial and Cremation Bill to replace the Cemeteries Act 1952. Consultations were held with councils and land councils to collaboratively develop new laws that will enable burials and cremations to occur in a manner that acknowledges and respects the custom and practice of Traditional Owners.

Report from the Local Government Association of the Northern Territory (LGANT)

Developments in the use of long-term financial and asset management plans

The new *Local Government Act 2019* (enacted 1 July 2021) makes reference to the requirement for, and content of, Municipal Plans and long-term financial plans that must be of at least 4 years. For a local example, the West Arnhem Regional Council has a long-term financial plan in their Regional Plan which meets Northern Territory (NT) local government legislation. They have started a renewed focus on reviewing their asset management plans and moving to a 10-year financial plan which will be supported by the updated asset management plans.

LGANT will be instituting Strategic Priority (SP) Working Groups that will:

- ensure LGANT's strategic plan is kept 'live'
- focus local government on what the core issues are.

The core issues include:

- SP1: Aboriginal Outcomes: Assist Aboriginal people to have a greater voice to achieve better social, cultural and economic outcomes.
- SP2: Finance, Governance and Workforce: Strengthen financial sustainability and governance, and develop the workforce.
- SP3: Profile and Reputation: Build the profile and reputation of the local government sector.
- Sp4: Climate, Waste and the Environment: Adapt to the effects of climate change, manage waste, and preserve the natural environment.
- SP5: Infrastructure: Assist member councils to plan and deliver infrastructure projects to improve the social and economic outcomes of local communities.
- SP6: Economic Development: Facilitate the local government sector to take a leading role in economic development.

The theme for the LGANT General Meeting and Conference in Alice Springs on 19–20 April 2023 will be 'Sustainable Communities', exploring with our members LGANT Strategic Priority 2 – Finance, Governance and Workforce. There will be a session devoted to asset management.

For local government councils in the Northern Territory to deliver better outcomes for their constituents, they have to be sustainable. There are threats to this imperative with responsibility and cost shifting, from the other levels of government to local government with commensurate funding to deliver.

Actions to develop and implement comparative performance measures between local government.

To keep the LGANT Strategic Plan 'live', we have instituted Strategic Priority Working Groups and have held a workshop on Finance and Governance with our member councils that included Principal Members, Chief Executive Officers (CEOs) and key staff such as Chief Financial Officers (CFOs). This was to share information and compare, for example, how to account for elected member allowances, superannuation and the use of Xero.

Reforms undertaken to improve the efficiency and effectiveness of local government service delivery

The West Arnhem Regional Council undertook an organisational restructure which included a major review of the Regional Plan. Their 4 local authorities were consulted commencing with the completion of the 2022–23 Regional Plan.

They have also completed a joint study with the Charles Darwin University into their waste management facilities and evaluation of the costs to enter the circular economy to reuse waste streams. This work led to a dramatic improvement of the Gunbalanya Waste Management Facility. Perhaps the most important reform has been the adoption of the Local Government 2030 Strategy and guiding principles.

In an example of shared services between neighbouring councils, the Katherine Town Council (KTC) works cooperatively with the Roper Gulf Regional Council (RGRC) and the Victoria Daly Regional Council to deliver improvements to waste management in and across the Big Rivers Region. Similarly, the KTC now utilises RGRC mechanics and their workshop to service its plant and fleet vehicles in Katherine. Further, the Northern Territory Government and local government councils are working together to develop a digital single source of truth for road ownership details and all road tenures within the Territory.

The Northern Territory Government and local governments exist for the benefit of Northern Territory communities (urban, regional and remote). Through positive working relationships and a collaborative approach, they are well-placed to pursue social and economic growth opportunities as well as to respond to shared challenges in providing essential services and infrastructure.

Local government councils are the level of government closest to the community and are the most visible and accessible advocates for their community. However, citizens as a whole do not distinguish between spheres of government. They expect governments to work together.

After considerable work across the sector, and with the Local Government Unit of the Northern Territory Government, the Local Government 2030 Strategy was transferred to LGANT for implementation in March 2022, and launched at the LGANT General Meeting on 7 April 2022, with a set of principles also to be developed to underpin how the 2 spheres of government work together.

These principles express the clear intent of the Northern Territory's local government sector and the Northern Territory Government to continue to work in genuine partnership to deliver outcomes and improve the quality of life for all Territorians.

It is acknowledged that the collaboration between the NT Government and the local government sector, which is the focus of this set of principles, does not occur in isolation. Local government councils and the NT Government, individually and together, collaborate with a range of stakeholders across all spheres of government, Land Councils, community and service providers, industry and business, with a focus on achieving the best outcomes for their regions and communities.

The parties further acknowledge that the Australian Government and traditional governance are crucial to the achievement of community outcomes; and commit to building on this initial work to encompass their perspectives and encourage their involvement.

The Guiding Principles establish the foundation for a positive relationship between the Northern Territory Government and the local government sector to:

- build and maintain positive and cooperative relations between the 2 spheres of government to promote effective collaboration, good governance, shared accountability and transparency
- encourage innovation and continuous improvement
- strengthen capacity to deliver outcomes
- deliver optimal infrastructure and services for the benefit of Northern Territory communities and their residents.

Shared Vision: Identify common interests and objectives of the Northern Territory Government and local government, commit to a joint purpose, collaborate on development, communicate goals and pathways and recognise and respect roles. Both spheres of government will work together towards common goals to achieve better outcomes for communities.

Collaborative Decision Making: Identify opportunities to work together. Engage early and appropriately and build on combined strengths, capacity and skills to support joint programs and projects based around shared input, participation and decision making where possible.

Improving the Wellbeing of all Northern Territory Residents: Both spheres of government exist for the benefit of communities and are together focused on the common objective of improving the wellbeing of all Northern Territory residents.

Shared Information, Knowledge and Data: Support planning and decision making through sharing relevant information, knowledge and data. Establish and build an open and transparent, evidence-based community investment approach to support improved community outcomes.

Meaningful and Accessible Community Engagement: All communities have an important role to play in the decisions made about their future and should be actively engaged in a genuine, appropriate, timely and meaningful way.

Appropriate Timelines: Timelines for joint work are negotiated and agreed where possible to enable early planning, inclusive and authentic community engagement and opportunity for evaluation and reflection.

Agreed Communication and Engagement Protocols: Communication channels and protocols will be clearly defined to support the Guiding Principles and effective collaboration.

Three key threats that remain for local government councils and their ability to be effective and efficient are: the apparent under-preparedness for cyber-attacks, up-to-date business continuity plans and the high turnover of staff. These issues LGANT is working with its members on but will need some Federal Government assistance.

Incorporation of unincorporated areas

Since 2004, LGANT has been prosecuting the case for the incorporation of unincorporated areas. Therefore, LGANT supports the NT Government's proposal to incorporate the Cox-Daly and Marrakai-Douglas Daly unincorporated areas into existing local government councils.

One of the major objectives of the 2008 local government reforms was the inclusion of the whole of the Northern Territory into local government areas.

The intention prior to 2008 was to have a Top End Council, which was to include the Cox-Daly and Murrumbidgee-Daly areas. However, the Top End Council was not created. As a result, both areas are not within a local government area. It is estimated that there is a total of 2,082 allotments within these areas, including 17 pastoral leases and 40 mining tenements.

The Northern Territory Government released a discussion paper for public consultation on their proposal to include the Cox-Daly and Murrumbidgee-Douglas Daly areas into a local government area or areas. LGANT has been a contributor to the Transition Committee, should cabinet decide to incorporate all or some of the currently unincorporated areas.

LGANT supports the incorporation of unincorporated areas because:

- It is fair, to taxpayers and to those that are already paying rates.
- It delivers a greater level of local representation to make local decisions.
- It attracts Australian Government Assistance Grants and access to other Australian and Northern Territory Government grants and programs.

A Waste Management Symposium was held on 8–9 June 2022, with 73 representatives from 47 organisations including local government, industry, the NT Government and non-profit organisations. The 2022 theme was: *Setting Our Own Agenda – the NT Context*. Presentations included:

- the NT Government Circular Economy Strategy
- Circular economy systems for remote communities
- Tyre processing in the NT
- a waste levy workshop
- product stewardship schemes including household batteries and electronics.

LGANT also facilitated a Procurement Symposium that offered both accredited and non-accredited training offerings plus presentations on:

- the Independent Commission Against Corruption (ICAC)
- Local Buy
- vendor panel procurement platforms
- new procurement guidelines and regulations in the new *Local Government Act 2019*.

The Procurement Symposium included the participation of 33 individuals from 10 local government councils.

Initiatives undertaken and services provided by local government to Aboriginal and Torres Strait Islander communities

Last year, Jabiru was handed back to the Traditional Owners and projects included:

- the Beautification of the Jabiru Swimming Pool and artwork on the water tower
- the Innovate Reconciliation Action Plan (RAP) that started in 2021 and will be completed by June 2023
- Gunbalanya Women's Safe House upgrades
- COVID-19 domestic and family violence services
- a youth engagement / day patrol program for Minjilang and Warruwi

- cultural school holiday activities
- Top End Aboriginal Bush Broadcasting Association (TEABBA) Radio established.

LGANT itself has a Reflect Reconciliation Action Plan endorsed and will be working with our member councils to get them to consider adopting one as well.

We are very proud to have an LGANT representative on the Referendum Engagement Group in Mayor Matt Ryan of the West Arnhem Regional Council. We look forward very much to his input to the LGANT Board and how best we can be involved.

The NT Treaty Commissioners Final Report was handed down late last year and one particular recommendation is of concern to our sector and, if implemented, would set local regional and remote representation and service delivery back 15 years. It is the return to community government councils which existed prior to 2008 when we had 68 councils. We now have 17, with 63 Local Authorities, which are ostensibly those community government councils but now as sub-committees of the larger shire and regional councils.

The report calls for the 5 municipal councils to remain under the current *Local Government Act 2019* and for the establishment of a First Nations' Local Government Act that would capture any other representative model devised with, and for, Aboriginal people outside municipal areas. This could include the devolvement of the current structure of 12 regional and shire councils.

LGANT participated in the Local Authority Review and contributed to the development of the Implementation Plan (IP) 1 Annual Report which was endorsed by the Northern Territory Government Cabinet and subsequently tabled during Parliament in late 2022.

The actions LGANT has committed to lead in IP2 are below. LGANT is also a partner in a number of other actions.

The LGANT contributed to the Working Group that has developed metrics, in which each of these actions can be measured against, for the 2022–23 Annual Report.

The Australian Government released its second Closing the Gap Implementation Plan on 13 February 2023 and announced \$424 million in additional funding. LGANT will review the Plan and funding announcement in coming weeks.

Priority Reform 1 – formal partnerships and shared decision making: LGANT to work with the local government sector to maximise Aboriginal people in shared decision making such as: Aboriginal cadetships, graduate, apprentice, trainee, transition from school, working with the Department of Chief Minister and Cabinet to improve reporting on Aboriginal participation on Local Authorities and employment numbers through their Indigenous Jobs Fund. Also trying to better capture Aboriginal representation on councils and full-time equivalent employees across councils.

Priority Reform 3 – transforming government organisations: LGANT to strengthen

- its shared services procurement provider, to work
- mentoring, work experience and its exchange programs platform, to enable filtering including by Aboriginal businesses.

Negotiations with Local Buy are in progress to launch Local Buy NT which will feature Aboriginal-owned businesses first.

Priority Reform 3 – transforming government organisations: LGANT to explore resourcing from the Commonwealth Government for a dedicated officer to lead Aboriginal affairs matters across the local government sector – an Australian Local Government Association (ALGA) advocacy piece that LGANT is supporting. The LGANT President and CEO hope to meet with the federal Minister for Indigenous Australians in Canberra in February 2023.

LGANT and the local government sector to support the Australian Electoral Commission (AEC) and Northern Territory Electoral Commission (NTEC) to increase Aboriginal enrolment, election participation and nominations. The LGANT review of 2021 local government elections will provide recommendations that will feed into a strategy to increase Aboriginal enrolment, election participation and nominations.

Most Aboriginal communities are located within Regional Council (RC) areas. In addition to the services offered by all local governments to communities in the NT, RC councils provide a range of additional community services and programs to remote communities. This is enabled either through contractual arrangements with NT and Commonwealth agencies for service provision, or community program funding obtained through Commonwealth and NT funding programs.

RC councils have contracts with NT and Commonwealth agencies to provide key services in remote communities. This includes postal services (Australia Post), Centrelink agent services (Commonwealth Department of Human Services), and the upkeep of power, water, and sewerage infrastructure (NT Power and Water Corporation).

In some RC areas, councils were contracted by the NT Government to deliver services to occupied outstations or homelands. Services include municipal and essential services, housing maintenance services and special purpose infrastructure projects. This includes waste collection, road maintenance, animal management, fire breaks and environmental activities.

Grant monies from Commonwealth and NT Government funding programs enable RCs to offer remote communities a range of local community programming, including:

- aged and disability services (for example, personal care, meals, transport, domestic assistance, and social activities) that allow people to stay in their community
- school nutrition programs
- early learning programs for children
- community safety programs
- remote youth sports programming and youth diversion programming.

The above activities are also important sources of local Aboriginal employment in these regions.

Data in the *Current and Future Skill Needs of Local Government in the Northern Territory Report 2018* showed a much higher representation of Aboriginal and Torres Strait Islander employees (38 per cent) than in other sectors of government and the private sector in the Northern Territory.

The regional and shire councils are the largest employer of Aboriginal people in regional and remote areas with between 60 to 80 per cent of the workforce made up of Aboriginal people. These councils receive in excess of 90 per cent of their revenues from government grants. The Central Desert Regional Council has 82 per cent of their 151 staff being Aboriginal, spread across 9 communities and 3,780 people.

Our second smallest local government council is the Wagait Shire Council (WSC). It receives around \$76,600 per year through the Financial Assistance Grant program and it is included in their general operational budget, contributing to:

- the employment of 2 full-time council (civil) works staff
- consumables to provide basic maintenance to local roads and road-verges, including potholes, mowing, weed-poisoning and drainage.

Strategically, the WSC is heavily reliant on Financial Assistance Grants to support community maintenance, offsetting the cost of community maintenance by 30 per cent with the remaining 70 per cent supported by rates and contract income from the Northern Territory Government. Financial Assistance Grants are critical to the sustainability for our member local government councils. Without those grants, our councils would not be viable, relevant or major contributors to Aboriginal representation and employment.

Report from the Australian Capital Territory Government

Preamble

The ACT Government administers the Australian Capital Territory (ACT) as a city-state jurisdiction, unique within the Australian Federation. As a result, there is little or no differentiation in ACT Government service provision between typical state or local government functions. This is demonstrated by the ACT Government's engagement with local government through membership of the Canberra Region Joint Organisation (CRJO) and the Council of Capital City Lord Mayors (CCCLM), as well as engagement with other jurisdictions through the National Cabinet.

The ACT Government is increasingly focused on enhancing Canberra's role, as the regional centre for South East NSW, and the relationships that exist across the Canberra Region. The ACT Government works closely with the NSW Government and local NSW governments in the Canberra Region to address matters of common interest. The ACT Government also engages with major cities in Australia to share solutions and advocate on city issues.

Developments in the use of long-term financial and asset management plans

The ACT Government Infrastructure Plan and Infrastructure Investment Program

The ACT Budget is formulated on a rolling 4-year cycle with the Infrastructure Investment Program extending to the fifth year. The additional year recognises the long lead time required for the development and planning of major capital works projects.

The 5-year Infrastructure Investment Program includes provisions for expected funding requirements for projects which are subject to approval or are commercially sensitive. This approach provides visibility and transparency in expected expenditure and facilitates sound budget management practice.

The Infrastructure Investment Program is guided by the ACT Infrastructure Plan which sets out the Government's priorities and project pipeline over the short, medium and long term. The Plan was first released in 2019 and will be updated in tranches over a 2-year period commencing in early 2023.

The combination of annual publications of the 5-year Infrastructure Investment Program and updates to the ACT Infrastructure Plan provides industry with an overview of the current infrastructure pipeline and future projects under consideration.

The Wellbeing Framework

Since the 2021–22 Budget, all ACT Government business cases must include a Wellbeing Impact Assessment outlining the expected wellbeing impacts of the proposal. This requirement is a key component of embedding the ACT Government's Wellbeing Framework (the Framework) into public policy development to improve the quality of life for Canberrans.

The Framework comprises 12 wellbeing domains (and associated indicators and measures) including economic performance, living standards, access and connectivity, health, education, housing, environment and climate, governance and institutions, safety, identity and belonging, social connection, and time. Sitting outside the domains, but at the heart of the Framework, is a Personal Wellbeing Index which will provide a measure of the overall wellbeing of the ACT community over time.

Over the longer term, outcome data from the Framework will inform development of policies and programs to improve the quality of life for all Canberrans.

The Capital Framework

During 2021–22, the ACT Government continued to plan, manage and review capital works projects under its Capital Framework. The Capital Framework seeks to improve business case development, service and asset planning, as well as project definition and scope.

The ACT Government also continued its comprehensive review of the Capital Framework. Work undertaken during 2021–22 focused on finalising development of updated guidance material for the Capital Framework update. The updated Capital Framework was launched in early 2022–23 and will be used for the 2023–24 Budget process onwards. Updates to the Framework include the transition to an online web-based platform, greater emphasis on agency collaboration, enhanced guidance for measuring project development and implementation, as well as developing new templates, tools and online training.

The Partnerships Framework

The ACT Government has implemented the Partnerships Framework, which established the policy for delivery of major infrastructure projects under models including Design, Construct, Maintain, Operate (DCMO) and Public Private Partnership (PPP); and the evaluation of unsolicited proposals under a structured framework.

The Partnerships Framework continues to provide guidance on the procurement of major, complex infrastructure projects, including potential future PPPs, and the assessment of unsolicited proposals. The ACT Government intends to review the Partnerships Framework in 2022–23.

Strategic Asset Management Plans

The ACT Government also supports a Strategic Asset Management (SAM) program, providing financial assistance for agencies to establish SAM Plans for management of the Territory's assets. This program fosters better practice to increase the ACT's economic capacity, reduces future costs, and grows the city in a way that meets the changing needs of the ACT demographic and maintains current infrastructure.

Engagement with comparative performance measures between local governing bodies

The ACT Government does not currently undertake comparative performance measures with other local governments. However, the ACT Government does participate in the *Productivity Commission's Annual Report on Government Services* (The Report). The purpose of this report is to provide information on the equity, efficiency and effectiveness of government services in Australia.

The Report outlines ACT performance relative to other state and territory jurisdictions on key government services including: education, health, community services, justice services, emergency management and housing and homelessness.

Reforms undertaken to improve the efficiency and effectiveness of service delivery

Access Canberra

Access Canberra has undertaken numerous reforms to improve service delivery in 2021–22, including the following.

E-conveyancing

Access Canberra rolled out electronic conveyancing (E-conveyancing) in December 2021 and it is now available for use by all eligible industry subscribers under the Electronic Conveyancing National Law (ACT) Participation Rules. E-conveyancing offers the choice of digital transactions for most property settlements and transfers in the ACT, and is a quantum advancement in service delivery. It streamlines the process for the conveyancing industry to engage with each other and lodge documentation with the Land Titles Office in Access Canberra.

The take up of E-Conveyancing in the ACT was higher than any other jurisdiction in terms of percentage of documents lodged in the initial 6 months of operation and continues to grow. As of 31 December 2022, 42,096 forms have been lodged through E-Conveyancing since the initial offering.

Compulsory conciliation conferences

Access Canberra implemented the compulsory conciliation scheme under the *Fair Trading (Australian Consumer Law) Act 1992*. The scheme allows the Commissioner for Fair Trading to require traders to attend a conciliation conference with consumers as an alternative dispute resolution process and access to justice.

COVID-19 support

In 2021–22, Access Canberra continued to support the ACT community during the ongoing COVID-19 Public Health Emergency by providing flexible, digital-first solutions to delivering services. Access Canberra continued offering expanded online services in response to COVID-19 and continued operation of the COVID-19 Helpline to support the Government response and provide timely advice to citizens.

Customer support

The Resolution and Support Team (formally the Complaints Management Team) received 22,158 complaints, up from 13,700 in 2020–21. In addition to this, a review of complaint mapping across Access Canberra, including entry points and visibility of complaints, was completed. This has resulted in improved timeliness of managing complaints and a reduction in the backlog of legacy complaints and implementation of system and process changes to reduce the likelihood of this occurring again.

As part of Access Canberra's engage, educate, enforce approach:

- In response to complaints data on noise and parking issues in the ACT, targeted communication and education campaigns were implemented.
- To support industry compliance, Access Canberra undertook a range of targeted communications across regulatory portfolios including liquor, building and construction, and licensing and registration.
- To educate and inform ACT businesses on COVID-19 restrictions, Access Canberra coordinated 42 mailouts tailored to the industries Access Canberra regulates, reaching 197,540 recipients.

In 2021–22, Access Canberra:

- completed 330,207 transactions through Service Centres, and answered 575,178 customer calls through the Contact Centre. An additional 59,347 calls were handled through the Land, Planning and Building Services call centre.
- supported the community by handling over 189,000 calls to the ACT COVID-19 Helpline.
- updated Access Canberra's website in March 2022 to include live Service Centre wait times.
- handled over 11,800 calls on the Access Canberra Business Liaison Line, established for businesses seeking advice and engagement on available stimulus funding, as well as being available for general questions and advice for businesses.
- introduced an innovative mobile queueing system as an alternative to the conventional physical line in Service Centres. Customers could join the queue by scanning a QR code and were sent a text message asking them to return to the Service Centre when they had progressed far enough in the virtual queue. This service was launched in November 2021 and supported the community when Service Centres were observing longer wait times.

Increased regulatory oversight

The Land Planning and Building Services team is the front door to ACT Government for a range of critical functions and administrative tasks associated with development applications and building approval processes.

The multi-faceted team continued to provide services throughout the COVID-19 pandemic, and during the 2021–22 period administered, and otherwise generally supported, the community and broader regional building and construction industry by processing:

- 1,226 development applications
- 4,777 building approvals
- 3,651 Certificates of Occupancy and Use
- 3,409 building file searches
- 6,629 building conveyancing reports
- 27,021 plumbing transactions
- 44,642 Certificates of Electrical Safety forms.

The Construction Occupations Registrar's (COR's) strategic priorities for 2021–22 were rapid regulatory response, citizen protection and industry engagement. Consistent with Access Canberra's Accountability Commitment and compliance frameworks, the COR applies a risk-based compliance approach to ensure resources are targeted to where the risks of harm, unsafe practices or misconduct are the greatest.

A number of operational reforms were pursued in 2021–22 to improve building quality in the ACT, including regulatory oversight during the construction phase to assist in the early identification of building defects so that structural issues can be rectified during construction.

City Services

Domestic Animal Services (DAS)

With the introduction of new Territory legislation on 1 July 2021 requiring all dog owners to update their details annually, DAS delivered a new digital dog database that can provide up-to-date information on where dogs live. The new system improves the information about dogs in the ACT, ensuring that owners can be contacted quickly if their dog is lost. It also allows the Government to deliver better education and services to pet owners and manage dangerous dogs to help prevent and respond to dog attacks.

Cat registration was implemented through legislative amendments, with registration required from 1 July 2022.

Libraries ACT

Improvements to the way library services are delivered continued, with activities including:

- new spaces, facilities, and services in Woden Library, including recording and podcasting studios.
- Home Library and Mystery Box delivery services were provided to people unable to physically visit a branch because of a disability, illness, or limited mobility, or due to COVID-19 restrictions.
- Upgrades were made to the Library Management System software that provides new and improved functionality to customers, including improved search functions.
- A pilot has been undertaken to return to patron self-check in of library materials after COVID-19 restrictions. This will release library staff from manual handling tasks to offer more services to the community. A trial with a device to identify requested items has also been conducted to further improve efficiency and reduce manual handling.

Transport Canberra

Transport Canberra progressed work on the Zero Emission Transition Plan by entering into contracts to supply the first 12 new battery electric buses which will operate from Transport Canberra's Tuggeranong bus depot. In addition, Transport Canberra has commenced the planning and design of the necessary electrical infrastructure upgrades to support the charging of larger numbers of electric buses as the commitment to procure an additional 90 electric buses from 2023 is progressed. Work to secure suitable future bus housing and maintenance facilities that can accommodate fully zero emission bus fleets also commenced in 2021–22.

To improve the public transport service to Canberrans, construction commenced on the new Woden transport interchange and the Well Station Park and Ride was completed. A new light rail stop was constructed at Sandford Street in Mitchell, and more than 70 upgrades were made to bus stops.

To make using public transport easier for Canberrans, Transport Canberra progressed the procurement for a new ticketing and real-time information system.

Throughout 2021–22, significant progress was made on a range of Transport Strategy commitments, highlighting the ACT’s commitment to increasing active travel opportunities and uptake.

- The draft Active Travel Plan was prepared, setting-out key actions to increase active travel in Canberra in the short, medium and long term. The plan identifies rapid interventions which can help address the impacts of disruption associated with construction underway in the city centre and brings together several commitments from the Transport Strategy on active travel.
- Movement and Place Decision-Making Tool – A tool to support internal and external stakeholders in applying Movement and Place consistently and in line with the objectives of the Strategy. The Movement and Place concept balances the dual function of streets, which is moving people and goods and enhancing the places they connect and pass through.
- The Transport Strategic Investment Tool will provide a balanced and strategic way to identify, assess and prioritise transport initiatives in line with the strategy’s vision and future transport needs.
- Commenced work on a Multimodal Network Plan, to ensure that transport projects and policies align with the Transport Strategy’s vision. It aims to deliver a comprehensive network plan, to be used as guidance in the development of land use, modal shift, more detailed corridor and route plans. It provides a clear vision of how all transport modes should be performing in an integrated way in future.

Environment, Planning and Sustainable Development Directorate (EPSDD)

- Key elements of the Planning System Review and Reform Project were progressed through working closely with stakeholders, sharing policy ideas, and capturing feedback along the way.
- Implementation of the Loose Fill Asbestos Insulation Eradication Scheme continued. A total of 1,006 affected properties have been eradicated from the Canberra community, with 1,006 demolished and 1,006 removed from the Affected Residential Premises Register as at 30 June 2022.
- A new and improved Development Application Finder App (DA Finder+), which addresses data sourcing issues and introduces a range of new features, including a tracking system that allows users to be notified of new and existing applications of interest.
- The Rapid Response Biosecurity Team was established in 2022 to target new incursions of invasive species in the ACT and combat the impacts of climate change.
- A new Canberra Nature Park Reserve Management Plan was launched on 15 November 2021.
- The Directorate completed 90 per cent of the actions required under the 2021–22 Bushfire Operations Plan.
- Since the Sustainable Household Scheme’s full launch in September 2021, 6,422 households have applied for loans, totalling \$62.1 million in approved loans. More than 75 per cent of this has gone back into the local industry and economy, and more than 8,700 participating households have received support and education to help improve energy efficiency, sustainability and reduce emissions.

Community Services

Commissioning for outcomes

The ACT Government is establishing a commissioning for outcomes approach to human services. The Community Services Directorate (CSD) is transitioning to this approach for the services it delivers and funds. This is expected to occur incrementally over a 10-year period.

Commissioning is focused on building strong relationships that change the way Government and the Non-Government Organisation (NGO) sector partners work together to design and deliver services which achieve positive outcomes for the ACT community. This contrasts with the more standard, transactional approach which, for the most part, does not involve sector partners or people with lived experience in service and system design.

A focus on building capacity and capability for commissioning has underpinned early commissioning for outcomes work. Key areas for capability uplift include:

- ensuring the voices of people with lived experience are centred in each commissioning process
- identifying and using the most appropriate co-design strategies to enable effective collaborative design and development of outcomes frameworks that can map to the ACT Wellbeing Framework.

Future key areas of focus include enabling a more integrated human services system through addressing gaps and interfaces between parts of the service system and responsiveness to individuals with high and complex needs.

Complementing this work, the ACT Government funded an investigation into the sustainability of the NGO sector in the ACT. The *Counting the Costs* Report was received by Government in late 2020 and identifies a range of recommendations for further work to enhance sector efficiency, effectiveness, and sustainability.

In early 2021, the CSD engaged with sector partners to update and release the *Strengthening Partnerships – Commissioning for Social ImpACT Listening Report*. The Listening Report details the feedback received during consultation with Directorate Business Units, the ACT Health Directorate and the NGO sector. The Listening Report provides an evidence base for how government should collectively approach commissioning in the ACT.

Following the Ministerial Roundtable in July 2021, during the period from January to May 2022, 19 workshops were organised with participation from over 200 participants including government officers plus front-line staff, policy officers, executive managers and front-line staff from community organisations. During the same period, 21 discussions with service users with lived experience of homelessness were organised. Five deep dive discussions took place focusing on older women, men, people with diverse sexuality and/or gender identity, people with disability, and children.

The stakeholder conversations focused on identifying needs, services gaps, and outcomes. Stakeholders discussed service design ideas to enhance frontline services and provision of support to clients; support sector capability and capacity; and improving the service system and cross-sector collaboration.

Listening reports were generated from each workshop and deep dive discussion, providing key themes, ideas and considerations captured through these engagements. These are available on the CSD Commissioning website at <https://www.communityservices.act.gov.au/commissioning>.

ACT Housing Strategy

The ACT Housing Strategy (the Strategy) was launched in October 2018 and encourages and promotes a housing market that meets the diverse and changing needs of the Canberra community and enables a sustainable supply of housing for all income levels. The Strategy continued to provide a guiding framework for ACT Government actions during 2021–22.

Reducing homelessness

The ACT Government is committed to reducing homelessness and has continued to work with the sector to implement programs to respond to new and emerging groups at risk of homelessness. This includes the following:

- The Axial Housing First Program, targeting those who have a history of entrenched rough sleeping. Following a successful pilot in 2019, the program has been expanded, with additional capacity to manage up to 32 properties for adults experiencing chronic homelessness.
- Work has continued to deliver Common Ground in Dickson. Common Ground will provide stable and supportive housing for people who need it. The identified cohort for Common Ground Dickson includes single older women, women with children, and single younger women. Construction commenced in October 2020 and is forecast for completion in the first quarter of 2022–23.
- Housing ACT has been working with government and community partners to provide more targeted accommodation for identified cohorts and those clients with more complex needs.

Strengthening social housing assistance

In May 2019, the Government announced Growing and Renewing Public Housing 2019–2024, which supports the work of the ACT Housing Strategy and its goal to strengthen social housing assistance by delivering safe and affordable housing to support low income and disadvantaged Canberrans.

In year 3 of the program, 115 new dwellings were added to the public housing portfolio through construction and purchase. This was offset by the sale of 153 predominately 3-bedroom dwellings. As of 30 June 2022, 349 households have been relocated to facilitate the program, with 296 dwellings in the construction pipeline and a further 453 dwellings in the design phase.

Improved energy efficiency in public housing

The Energy Efficiency Program for public housing properties is an ACT Government initiative delivered under contract by ActewAGL. The program ran over 4 years and concluded 30 June 2022, with an aim to assist low-income households to reduce their energy bills and greenhouse gas emissions, through the provision of energy efficient products and upgrades.

The program provided a total of 3,790 energy efficient appliance upgrades to Housing ACT properties, exceeding the target by 394 energy efficient units. This has resulted in a significant reduction in greenhouse gas emissions, a reduction in energy bill stress and improved comfort and liveability for tenants.

The total abatement from commencement of the program to 30 June 2022, was over 50,000 tons of carbon dioxide gas emissions (t/CO₂-e). This abatement is realised over the lifetime of the installed appliances and is equivalent to taking 18,478 cars off the road for 1 year.

In 2021–22, the measurement metric changed from carbon emissions savings to megawatts savings and saw a saving of 69,232 MWh of electricity over the lifetime of the appliances, enough energy to power up to 720 homes for 1 year.

In May 2020, the ACT Government announced the Solar for Public Housing Program. Solar roof top systems have since been installed in 10 Housing ACT properties and 2 large multi-unit properties. The installations for the 10 properties and one of the multi-unit properties were completed and delivered by 30 June 2021. The second multi-unit property solar system was fully functional in March 2022.

Next Steps for Our Kids 2022–2030

Another focus in 2021–22 was engagement activities to increase stakeholder participation in the development of the next iteration of the out-of-home care strategy, Next Steps for Our Kids 2022–2030 (Next Steps). Engagement activities included hearing from people with lived experience of the system, service providers and critical community sector stakeholders. Two listening reports were released in August 2021 and November 2021 providing an overview of stakeholder views and feedback.

Next Steps is the ACT Strategy for strengthening families and keeping children and young people safe and was launched in June 2022. It was developed using extensive evaluative data, contemporary research, and feedback from people with lived experience of the system.

Next Steps is an ambitious reform agenda setting out the principles, priorities and key elements to drive change in statutory child protection and out-of-home care services over the next 8 years. Next Steps builds on the previous out-of-home care strategy, A Step Up for Our Kids, 2015–2020, and broadens its reach across the child and youth protection system. Next Steps sits aside other local and national strategies aimed at building a stronger, fairer and more effective service system to support children, young people, their families and carers.

Under Next Steps, a commissioning and procurement process was commenced in May 2022 for new specialist Therapeutic Residential Care Services. Therapeutic residential care plays a critical role in supporting young people living in residential care to change the trajectory of their lives. The implementation of a new therapeutic residential care model will improve the safety and wellbeing of children and young people in the ACT, in line with reform actions under the Next Steps strategy, through providing environments for young people to live in where

- they feel safe and secure
- are part of decision making
- feel connected to community
- interact with staff where care is relationship and healing based and culturally safe.

Child and Youth Protection Services

In 2021–22, the Child and Youth Protection Services (CYPS) continued to support vulnerable children and young people, and their families and carers in the ACT as they were impacted by COVID-19 lockdowns, changing health directions, border closures and a number of other restrictions. CYPS worked actively with its partners from across government, other jurisdictions and the community to ensure supports for families continued with minimal disruption and were flexible where needed.

During the 2021–22 year, CYPS in partnership with the Australian National University Research School of Psychology, facilitated Connect for Kin, a 9-week, trauma-informed, attachment-based parenting program for kinship carers of children and young people aged 8 to 16 years.

Following the signing of an Enforceable Undertaking in 2021 with WorkSafe ACT, in response to a major incident that occurred on 26 August 2019, the Bimberi Youth Justice Centre (Bimberi) has continued to make improvements throughout 2021–22.

Education

The Education Directorate delivers quality public school and early childhood education and care to shape every child's future and lay the foundation for lifelong development and learning. The Education Directorate has celebrated many achievements and addressed significant local and global challenges during 2021–22, with key highlights including the following:

- continuation of the work with young people with disability, their families, and the broader community on how ACT public schools deliver inclusive education, including community consultation in March 2022
- ensuring continuity of learning to students throughout the COVID-19 pandemic, including through the provision of remote learning during ACT lockdown
- continuing to actively take steps to address the national teacher shortage that is impacting both government and non-government schools nationwide by utilising ongoing recruitment campaigns and establishing the Teacher Shortage Taskforce
- establishing 16 Communities of Practice between education and care services and ACT public schools
- partnering with education and care services to provide quality early childhood education for hundreds of 3-year-old children experiencing vulnerability and disadvantage
- delivering a suite of trauma-informed training to support non-government educators.

Justice and Community Safety

The Justice and Community Safety Directorate (JACS) seeks to maintain a fair, safe and peaceful community in the ACT where people's rights and interests are respected and protected. In 2021–22, JACS delivered a range of strategic and operational initiatives including the following:

- strengthening the ACT Emergency Services Agency (ESA) to provide critical community support
- completing a review of the Emergencies Act 2004
- dedicating more than 2,500 hours to support ACT Government COVID-19 operations, including support to individuals and families who were unable to purchase essential items during the ACT's COVID-19 outbreak
- expansion of the Police, Ambulance, Clinician Early Response Team (PACER Program)
- the establishment of the ACT Rural Fire Service Women's Network with the purpose of building a community to support and connect women across the Service
- the development of the ESA Intelligence Hub as a single point of truth for all emergencies
- reaffirming the Government's commitment to volunteers through the signing of the updated ACT ESA Volunteer Charter
- maintaining effective partnerships and collaboration with other agencies and jurisdictions in managing emergencies and major incidents.

A dedicated Coroner and independently facilitated restorative coronial reform process

In September 2021, the ACT Government announced the establishment of a dedicated Coroner and support staff as part of an investment to strengthen the delivery of justice to the community. The dedicated Coroner will modernise and speed up the way the coronial process operates, as well as allowing for a more restorative approach to improve the experience of bereaved families engaging with the coronial process. The ACT's first dedicated Coroner was appointed in early 2022.

In November 2021, the Attorney-General announced he would also support the development of a restorative reform process focused on the coronial system. An Independent Facilitator, working closely with the Human Rights Commission was appointed in 2022 and the process is in train.

Funding to legal assistance services

In 2022, the ACT released the inaugural Legal Assistance Strategy and Action Plan 2023–2025 to increase access to justice to Canberra's most vulnerable. The Legal Assistance Strategy and Action Plan outlines strategic initiatives to strengthen the sustainability and capability of the legal assistance sector to meet the increasing legal need and demand for legal support in Canberra's community.

Justice reinvestment and reducing recidivism

The ACT Government is continuing to support justice reinvestment, including: progressing policy work to raise the minimum age of criminal responsibility; continuing initiatives to build communities, not prisons; and developing Phase 2 of the ACT Government's plan to reduce recidivism by 25 per cent by 2025.

Economic development

Skilled to Succeed

Skilled to Succeed, launched in May 2022, is the ACT Government's skills and workforce agenda that ensures Canberrans have the right skills for in-demand jobs now and into the future.

This agenda outlines 4 key priorities:

- delivering skills inclusively to provide to all Canberrans a foundation for lifelong learning
- building a more responsive, flexible and future-focussed skills system
- assisting employers to build, attract and retain the right workforce
- strengthening skills sector foundations.

To deliver this agenda, the ACT Government is developing Industry Skills Plans for the Care, Technology, Building and Construction, Experience and Renewables and Sustainability industries. The purpose of these Plans is to identify actions that will enable the development of a fit-for-purpose, vocational education and training sector to support our future workforce.

The ACT Government hosted roundtables with stakeholders from each industry in November and December 2022. The Industry Skills Plan will be available in early 2023 for wider feedback from industry. Since 2017, the ACT Government has engaged a provider to deliver support services to Aboriginal and Torres Strait Islander-owned businesses. Initially the program concentrated on mentoring businesses in their development journey and providing connections into other services where possible.

A new service provider, Coolamon Advisors, was engaged on 1 June 2022 following an open tender process to deliver an enhanced package of business support services for ACT Aboriginal and Torres Strait Islander businesses.

Skills Needs List

Each year, Skills Canberra, in the Chief Minister, Treasury and Economic Development Directorate, develops the ACT Skills Needs List, to identify workforce skills needs and occupations in demand within the ACT, and the vocational education and training (VET) qualifications that best fit those occupations.

The List is used to identify the qualifications that will receive the highest subsidy rate under the ACT Australian Apprenticeships (User Choice) program. It also informs other ACT VET funding priorities. This ensures the ACT Government is targeting VET funding to develop a productive and highly skilled workforce that contributes to the ACT's economic future and best meets industry needs.

Skilled migration

The ACT Government has the flexibility to address skills shortages and labour market needs in the Territory through the territory-nominated stream of the Australian Migration Program. The Australian Government allocates a fixed number of nomination places to the ACT each financial year. In the 2021–22 financial year, the number was increased from 1,400 to 2,400 nominations which enabled Skills Canberra to nominate more applicants to address growing skills shortages in the Territory. The ACT was able to nominate migrants, for in-demand occupations, who were already residing in Canberra, encouraging interstate migration, as well as attracting overseas migrants after borders reopened in early 2022.

The demand for state or territory nomination exceeds the allocation of nomination places. Skills Canberra developed the Canberra Matrix to fairly rank, select and invite potential migrants to apply for ACT nomination. The Canberra Matrix allocates points against demonstrated economic contributions or benefits, English proficiency, formal qualifications, the length of ACT study or residence, and any other investment activity or close family ties. In 2021–22, Skills Canberra continued to refine the Canberra Matrix, to ensure nominations were supporting applicants who will make a positive economic contribution, or have already demonstrated a genuine commitment, to the ACT.

Skills Canberra also continued to move away from the previous 'Canberra Create Your Future' website, to the new ACT Government website at <https://www.act.gov.au/>, and continued to improve and further develop the internal skilled migration Customer Relations Management (CRM) system to best support potential migrants and reduce unnecessary administrative burden.

Initiatives in relation to service delivery to Aboriginal and Torres Strait Islander communities

Early childhood education

Koori Preschool is a preschool program for Aboriginal and Torres Strait Islander children aged 0 to 5 (children under 3-years-old attend with an adult) and provides culturally safe and relevant early learning, through rich, play-based experiences. Aboriginal and Torres Strait Islander perspectives are reflected across the program, which is aligned to the Early Years Learning Framework.

The Koori Pre Co-design program is a key deliverable of the ACT Government's *Set Up for Success* and continued in 2021–22. Findings from wide-ranging engagement were brought together in the Koori Pre Cultural Safety Framework, Koori Pre Curriculum and About Koori Pre children's book. These foundational resources work together to support Koori Preschools to meet expectations of Aboriginal and Torres Strait Islander communities and deliver high quality, high expectation and holistic preschool that is grounded in Aboriginal and Torres Strait Islander Cultures, knowledges, and values.

Transport City Services

The Aboriginal and Torres Strait Islander community bus service provides transport for those who are unable to access standard transport services. It enables access to medical appointments, significant cultural events such as funerals, and social and sporting events. The program uses 2 minibuses, one wheelchair accessible, and a self-drive option is available. A community bus coordinator can assist with booking enquiries during office hours.

During NAIDOC Week of 2021, Transport Canberra announced that Acknowledgment of Country artwork and wording had been affixed to all 460 buses in its fleet and 2 of its breakdown trucks. A light rail vehicle was wrapped with artwork for Reconciliation Week and NAIDOC Week.

City Services

Libraries ACT

During 2021–22, Libraries ACT provided a range of community engagement programs and activities, including the following:

- Woden Library featured RAP artwork in its new innovation hub, 'The Hive', and courier vans were decorated with Indigenous artwork decals.
- The ACT Heritage Library hosted an ACT Parks and Conservation event for the Heritage Festival – the Winanggaay Ngunnawal Language workshop.
- *Say Yes!* (by Jennifer Castles and Paul Seden) story walk from Kippax Library to West Belconnen Child and Family Centre for Tracks to Reconciliation 2021.
- Various organisational engagements by the Aboriginal and Torres Strait Islander Coordinator, including reading online to a young parents' group at Gugan Gulwan during lockdown.
- Koori playgroup engagement by the Family Literacy Coordinator.
- Ngunnawal language training and Australian Institute of Aboriginal and Torres Strait Islander Studies Core Cultural Safety training rollout to all library staff.

Yarralumla Nursery

Ngunnawal peoples were involved in designing and selecting plants for the Six Seasons Garden. The garden showcases traditional use plants and their uses across the 6 seasons of the Ngunnawal calendar. It will be used as an education resource and as stock to grow more plants for use in Canberra.

Economic development

Aboriginal and Torres Strait Islander business support

Since 2017, the ACT Government has engaged a provider to deliver support services to Aboriginal and Torres Strait Islander owned businesses. Initially the program concentrated on mentoring businesses in their development journey and providing connections into other services where possible.

A new service provider, Coolamon Advisors, was engaged on 1 June 2022 following an open tender process to deliver an enhanced package of business support services for ACT Aboriginal and Torres Strait Islander businesses (the Program).

Badji is the name of the Program, which was gifted by the Winanggaay Ngunnawal Language Corporation and is a Ngunnawal word meaning 'arise'. The artwork for the Badji Program's visual branding and identity was designed by a Wiradjuri artist.

The Program runs for one year, with an option to extend the services for an additional year, and offers an expanded range of culturally appropriate and tailored services to help ACT Aboriginal and Torres Strait Islander businesses to develop and grow including:

- a concierge service to connect businesses with a range of service providers
- mentoring and coaching services
- access to accelerator programs for businesses looking to grow.

At the start of the Program, Coolamon Advisors delivered a workshop with external support providers including Federal Government agencies, the ACT Government, universities and industry organisations. This facilitated information sharing about the Program and the range of services available from other support providers to inform Program delivery.

Local Aboriginal and Torres Strait Islander businesses which would benefit from these services are invited and encouraged to contact Coolamon to access the Program.

Support for ACT Aboriginal and Torres Strait Islander communities through national and local policies

Under the ACT Aboriginal and Torres Strait Islander Agreement 2019–2028, and the ACT National Closing the Gap Jurisdictional Implementation Plan June 2021, the ACT Government is undertaking a wide range of initiatives to improve health and wellbeing outcomes for Aboriginal and Torres Strait Islander people. This includes:

- Committing to a \$20 million Healing and Reconciliation Fund to support the ACT commitments to Closing the Gap and deliver on community priorities identified through the Agreement.
- The ACT Government will support conversations that may contribute to healing and reconciliation. Community-led, facilitated engagement will commence in 2023 supported by The Healing Foundation, a national Aboriginal and Torres Strait Islander organisation providing a platform to amplify the voices and lived experience of Aboriginal and Torres Strait Islander people. This process supports community healing and self-determination as part of a process of healing, truth telling and reconciliation.
- Designing a new purpose-built facility for Gugan Gulwan Youth Aboriginal Corporation (Gugan Gulwan), to better enable delivery of vital culturally specific and safe health and wellbeing programs and services.

- Provided funding to support the continuation of Winnunga Nimmityjah Aboriginal Health and Community Services' holistic model of health service delivery to Aboriginal and Torres Strait Islander detainees at the Alexander Maconochie Centre (AMC).
- Establishing a good understanding of the ACT's Aboriginal and Torres Strait Islander population, demographics, likely health and wellbeing needs in the next 10 years and the location and nature of the services required.

National Agreement on Closing the Gap

Deliverable actions under the National Agreement on Closing the Gap (the National Agreement) have been identified under Priority Reform 2 – Building a community-controlled sector to establish parity in relation to overcrowding by increasing the proportion of Aboriginal and Torres Strait Islander people living in appropriately sized (not overcrowded) housing by 2031.

Under the Parliamentary and Governing Agreement for the 10th Legislative Assembly, the ACT Government committed to the establishment of an ACT Aboriginal and Torres Strait Islander Community Controlled Organisation (ACCO) for housing. In 2021–22, the Community Services Directorate (CSD) engaged Curijo, a local ACT majority Aboriginal owned company, to develop a Community Participation Approach and Implementation Framework. This will guide, support, and strengthen commitment to support culturally appropriate public and community housing accommodation options for the ACT Aboriginal and Torres Strait Islander community.

In March 2022, Housing ACT delivered the third and final complex, for Aboriginal and Torres Strait Islander older people, named Ningulangu, fulfilling a commitment under the ACT Housing Strategy, ACT Aboriginal and Torres Strait Islander Agreement 2019–2028, the Parliamentary and Governing Agreement for the 10th Legislative Assembly, and the new National Agreement on Closing the Gap. Housing ACT worked closely with the Aboriginal and Torres Strait Islander Elected Body (the Elected Body) to deliver 3 dedicated, long-term older persons accommodation sites, each site comprising 5 dwellings. The Elected Body was involved in the initial concept, design development and community engagement process for each development.

Next Steps

Next Steps commits to addressing the over representation of Aboriginal and Torres Strait Islander children and young people in out-of-home care. Under the *Our Booris, Our Way* Report priority initiatives include:

- development of Aboriginal Community Controlled Organisations (ACCO) and transition responsibility for case management
- establishing an Aboriginal and Torres Strait Islander Children and Young People Commissioner
- embedding the Aboriginal and Torres Strait Islander Child Placement Principle in legislation, policy and practice.

Domestic Violence Prevention Council Aboriginal and Torres Strait Islander Reference Group

In 2020–21, the ACT Government worked closely with the Domestic Violence Prevention Council (DVPC) Aboriginal and Torres Strait Islander Reference Group on prioritising the most important recommendations from the *We Don't Shoot Our Wounded* report.

The DVPC Aboriginal and Torres Strait Islander Reference Group in partnership with the ACT Government is working to establish a dedicated service for Aboriginal and Torres Strait Islander women. This service will provide a range of responses for Aboriginal and Torres Strait Islander women who have, or are, experiencing family violence. Discussions to progress this service, as well as other priority report recommendations, are ongoing.

The ACT Government is also committed to working with Aboriginal and Torres Strait Islander people to trial culturally sensitive approaches to prevent family violence. For example, the ACT Government committed additional funding through the Family, Domestic and Sexual Violence National Partnership Agreement 2021–2023 to the Victims of Crime Commissioner for a dedicated Aboriginal and Torres Strait Islander worker as part of the ACT Family Violence Safety Action Pilot. The Pilot provides specialised case management for high-risk cases of domestic and family violence in the ACT.

Aboriginal and Torres Strait Islander consultation in relation to the Sexual Assault Prevention and Response Report Listen. Take Action to Prevent, Believe and Heal

This report was commissioned in acknowledgement of the seriousness of sexual violence, and brought together feedback from a wide range of community stakeholders, frontline workers and victim survivors. The Aboriginal and Torres Strait Islander Consultation Committee was established to ensure that the voice and experiences of Aboriginal and Torres Strait Islander peoples remained at the forefront and informed the program.

The report made 24 recommendations to improve prevention and response to sexual violence in the community. The ACT Government committed \$935,000 over 2 years to engage with the Aboriginal and Torres Strait Islander community in relation to the recommendations in the report. This consultation will embed an understanding of the intergenerational experiences of Aboriginal and Torres Strait Islander people, apply a cultural lens to ensure all responses are culturally safe and culturally informed, and ensure that the next targeted implementation phase is consistent with their advice and cultural expertise.

Health services

The Ngunnawal Bush Healing Farm (NBHF), funded recurrently by the ACT Government, provides programs that use a multi-modal therapeutic community approach, traditional healing concepts, cultural programs, and life skills training to tackle underlying social and emotional issues. The NBHF works with a range of services including health, social, community, educational, government and non-government services to ensure the community can access assistance based on individual needs.

Gugan Gulwan provides a range of health and wellbeing services for young Aboriginal and Torres Strait Islander people in the ACT and surrounding region. It delivers health and wellbeing programs such as early intervention, mental health and wellbeing services, parenting programs, a youth outreach program, support for alcohol and other drugs and a mental health nurse.

The 2021–22 Budget included resourcing for a range of culturally appropriate health supports, including ongoing funding for an Aboriginal and Torres Strait Islander Suicide Prevention Program that focusses on community-based suicide prevention, intervention, postvention and aftercare, tailored for Aboriginal and Torres Strait Islander Canberrans. This extends targeted support services, initially funded and delivered as part of the 2020–21 COVID-19 Mental Health Support Package, provided in a culturally safe manner for Aboriginal and Torres Strait Islander people experiencing mental and emotional distress.

Delivered through Service Funding Agreements and Healthy Canberra Grants, Winnunga Nimmityjah Aboriginal Health and Community Services (Winnunga Nimmityjah) was able to provide access to a range of primary health services for Aboriginal and Torres Strait Islander peoples in the ACT, including facilitating access to specialist services. The Government will continue to work in partnership with Winnunga Nimmityjah to deliver a dedicated Aboriginal and Torres Strait Islander residential alcohol and drug rehabilitation service.

In 2021–22, the ACT Health Directorate continued the development of the Directorate Cultural Integrity Framework. The Framework aims to build cultural capabilities and recognition; to embed a defined set of culturally strong values, demonstrated behaviours, attitudes, policies and structures; and to support working effectively and respectfully across all health, social, emotional, and cultural wellbeing areas.

Deregulation and legislative change

Transport Canberra and City Services

The Directorate continued to support the community through the COVID-19 pandemic by progressing temporary arrangements to support the delivery of services. It extended

- the term of learner licences (motorcycle and car)
- the period in which a person must have completed an approved road ready training course
- the period a holder of a non-ACT driver licence or one of certain foreign driver licences can drive in the ACT before being required to obtain an ACT driver licence.

Temporary arrangements were also made to support the operation of the infringement notice management scheme.

The Directorate continued to deliver the Government's road safety priorities in 2021–22, amending laws to introduce new offences and strengthen penalties for road users. It

- modernised legislation to keep up to date with the newer forms of transport being widely used in the community, including e-scooters, and addressed the increased risk that riding under the influence presents on footpaths and shared paths
- strengthened dangerous driving laws to reduce unsafe behaviours and resulting injuries and deaths on ACT roads, particularly for vulnerable road users such as pedestrians and cyclists
- implemented new Pre-Learner-Licence Training course material, reflecting changes in the Graduated Licencing Scheme and regulation, and training sessions for community, industry and teacher facilitators.

A second tranche of banned plastic items was introduced under the *Plastic Reduction Act 2021* on 1 July 2022. This tranche of items banned single-use plastic straws (with exceptions for those who need them), cotton buds with plastic sticks and all oxo-degradable plastics.

Better Regulation Taskforce

In 2021–22, the Better Regulation Taskforce (the Taskforce) released *Better Regulation – a report on how we are improving business regulation in the ACT*. The report details the ACT Government's forward work program, the Better Regulation Agenda, and is comprised of 2 key reform streams which will progress in parallel.

Stream 1: Policy and Legislation – continual improvements to rules, regulations, and processes, including:

- reviewing the existing procurement framework from an SME perspective
- readying the ACT for the commencement of the Automatic Mutual Recognition (AMR) scheme to improve mobility for occupational licence holders
- developing options to improve existing regulatory arrangements
- working with industry and across government to review the policy, legislative, regulatory and process requirements that ‘frame’ the night-time and entertainment economy industries.

Stream 2: Business Experience and Regulator Practice – making government-to-business interactions better, faster, and simpler, including:

- better understanding business by surveying sentiment, mapping the user experience and piloting human-centred design with business
- providing clearer information for business to meet their needs, for example, by providing centralised information
- improving regulator interactions with businesses, for example, by enabling a more individual response to issues
- reducing duplication and the number of times businesses need to interact with government and regulators.

Occupational mobility

The Better Regulation Taskforce completed a significant body of work to ready the ACT for Automatic Mutual Recognition (AMR) of individual occupational licensing which commenced on 1 July 2022. This included: putting in place legislative instruments to ensure the effective operation of AMR in the ACT; aligning, where possible, with other jurisdictions; and working with Territory regulators on clear, consistent information for workers.

Procurement

The Taskforce completed reform work, in collaboration with Procurement ACT, aimed at assisting businesses to understand ACT Government procurement and how to go about bidding for related opportunities. This included:

- producing a Step-by-Step-Guide (e-booklet) for small and medium sized businesses to guide them from start to finish through the process of supplying to the ACT
- updating the Procurement ACT website with a revitalised supplier landing page which provides practical and easy-to-navigate information on government procurement.

Report from the Australian Local Government Association (ALGA)

Developments in the use of long-term financial and asset management plans

In 2021–22, local government non-financial assets including roads, community infrastructure such as buildings, facilities, airports, water, and sewerage (in some states) including land, was valued at \$538.9 billion [ABS Government Finance Statistics, Australia, 2021–22].

Many of these assets have been accumulated over decades, sometimes with state/territory or federal capital assistance without regard to life-cycle costs.

Local government taxation revenue in 2021–22 was in the order of \$20.8 billion [ABS Government Finance Statistics, Australia, 2021–22]. However, it is interesting to note that depreciation expenses were in the order of \$9.3 billion and transport expenses at \$9.3 billion.

To monitor and improve the performance and management of the infrastructure portfolio owned and operated by Australia's 537 councils, ALGA established its National State of the Assets project in 2012. The National State of the Assets Report was updated in 2021. This Report showed that two-thirds of all local government assets are in good condition while around one-third are not. Specifically, nearly one in 10 of all local government assets need significant attention, and three in every 100 assets may need to be replaced.

It is estimated that the replacement cost of all poor to very poor infrastructure assets is \$51 billion. The estimated replacement cost of 'fair' assets (i.e. need work) are in the order of \$105 billion to \$138 billion. While not all poor and fair infrastructure needs immediate replacement, it is important that each item of infrastructure be continually assessed to fully understand the risks and implications of fair and poor condition infrastructure. Of particular concern are potential safety risks, limitations on service levels to meet population growth and the productivity of businesses and Australian industry.

Successive National State of the Assets reports have highlighted the importance of continuous improvement in our systems to support our communities for the future – including helping councils invest in asset management training, technology and software enhancements, skills development, and information sharing.

The reports also reinforce the need for the Federal Government to increase untied FA Grants to councils back to at least one percent of total Commonwealth taxation revenue.

It is imperative the federal government continue investing in targeted funding initiatives such as Roads to Recovery Program, Bridges Renewal Program, and the Black Spot program so councils can continue to replace and renew essential assets that are no longer safe or fit for purpose.

The Australian Bureau of Statistics [Government Finance Statistics, Australia 2021–22 released 26 April 2022] states that the three highest levels of local government expenditure in 2021–22 are in aggregate – \$9.9 billion on general public services, \$9.3 billion on transport (this figure also includes expenditure of Roads to Recovery funding provided by the Australian Government) and \$7.2 billion on recreation, culture and religion.

The 2021 National State of the Assets Reports shows local roads make up around 75 percent of the national road network (by length) and service every Australian and business on a daily basis.

ALGA continues to work with the Infrastructure and Transport Ministers Meetings (the successor to the Transport Infrastructure Council), federal transport organisations such as the National Transport Commission and the Department of Infrastructure, Transport, Regional Development and Communications and all jurisdictions on road reform including independent price regulation, community service obligations, road safety, heavy vehicle charging and access, assets management, data standard pilots and piloting local council asset registers that will inform road user charging and heavy vehicle reform, essential for increased national productivity.

The local road network is a critical component of the nation's road and transport system. Some of the challenges confronting the local road network under local government management, include:

- first and last mile capacity for efficient delivery of freight;
- road safety, especially for rural roads;
- the relatively rapid growth of total government road-related expenditure costs;
- the reliance on intergovernmental transfers for road funding which themselves rely on road taxes and charges;
- the competing funding pressures from other government services; and
- the need for road investment to reflect whole-of-life costs and road-user needs more clearly, particularly to accommodate the larger and heavier, high productivity heavy vehicles.

Noting that fuel excise is declining in real terms as motor vehicles become more fuel efficient and electric vehicle sales accelerate, local government is concerned that state and federal governments are being forced to look to other areas of their (contested) budgets to fund and manage roads and road-related infrastructure.

On a more positive note, fiscal constraints on meeting the required level of capital investment for roads has led to an increased focus on improving the transparency of road expenditure, investment, and service delivery.

Actions to develop and implement comparative performance measures between local governing bodies

At the national level there are no overarching systems in place to collect, analyse and compare performance measures across the 537 local councils in Australia. State and territory governments have established performance measures but often use different approaches and metrics.

ALGA supports the availability of accurate, timely and consistent data to enable evidence-based research, planning and outcomes for local government policy and funding and, where possible, advocates for this approach in line with recommendations from Parliamentary research reports over many years.

The Productivity Commission argued in its five-year productivity review [Shifting the Dial, 2017] that local governments should provide meaningful and accessible performance indicators.

ALGA is concerned at the prospect of local government being left behind in a data-driven decision-making environment, and that many councils will need assistance to lift their capability to be able to input, access and use data, as well as protect the data for which they are responsible.

Reforms undertaken during 2021–22 to improve the efficiency and effectiveness of local government service delivery

ALGA and its state and territory associations strongly support collaboration and engagement between local governments – and between all levels of government – to enable better service delivery outcomes for all communities.

This is particularly important in regional areas where thin markets can conspire against efficient and equitable service provision.

To address this, many like-minded regional and remote-area councils have created voluntary groupings, or Regional Organisations of Councils (ROCs), to enable capacity building and resource-sharing. These groupings vary in number, governance, and priorities jurisdiction to jurisdiction.

Over the past two decades, some state and territory governments have pursued policies of council amalgamation as a strategy to pursue more efficient and effective service-delivery, to generate cost savings, and capture economies of scale. ALGA opposes forced council amalgamations and notes that many of the projected savings predicted by amalgamations have failed to materialise.

Councils around Australia continue to embrace new technologies to improve their service delivery standards and broaden consultation and engagement with their local communities.

The COVID pandemic experiences continue to encourage the adoption of digital technologies in local government. Many councils pivoted their in-person services to online channels so staff could continue to serve residents and ratepayers safely and these services remain today.

Local governments began live-streaming meetings and forums of elected representatives to allow otherwise locked-down residents to attend virtually. State and territory governments have legislated to make this a permanent feature of council governance; a development which will strengthen the democratic accountability of local government.

Rolling out new digital technologies and platforms is expensive, however and councils are at different stages of maturity. The capital-intensive nature of digital transformation, and new requirements of councils as owner/managers of critical infrastructure and data to invest appropriately in cyber security systems, highlights the need for federal and state governments to support local governments in this transformation.

For local government there are some significant gains from coordinated approaches to Information Communication Technology (ICT), many of which state/territory associations are already leveraging. These include shared ICT and shared services, coordinated/joint procurement and the sharing of knowledge and approaches that deliver the best results.

Data captured representing communities' concerns and ideas, desired amenities and suggestions for development paired with more effective, automated analysis could facilitate an unprecedented level of open engagement between citizens and government which contribute to increasing the productivity of local government and supporting Australia's productivity.

Initiatives undertaken and services provided by local governments to Aboriginal and Torres Strait Islander communities

Local government delivers an array of essential services to urban, regional, and remote Aboriginal and Torres Strait Islander communities and in many instances provides employment opportunities for First Nations peoples where few others exist. However, this work is limited to the extent that councils are empowered and resourced by state and territory governments.

ALGA actively supports the development and implementation of policies to reduce disadvantage among First Nations peoples. While local governments have general responsibilities for the provision of local services and infrastructure to all Australians, generally the federal, state and territory governments have the primary responsibility for the provision (and funding) of government services and infrastructure to Indigenous people and communities, particularly remote Indigenous communities.

In 2019, ALGA, the federal, state, and territory governments, and the Coalition of Aboriginal and Torres Strait Islander Peak Organisations, agreed to a formal partnership agreement on Closing the Gap. In 2020, the parties signed the National Agreement on Closing the Gap, a framework to accelerate improvements in life outcomes for First Nations peoples. All signatories agreed that equal participation in the implementation of the national agreement, and on-going monitoring is essential to overcoming inequality.

The national agreement on Closing the Gap (July 2020) requires that all parties to the agreement develop their own implementation plan to support the achievement of the agreement's objectives and outcomes. ALGA prepared its first Closing the Gap implementation plan in September 2021.

Clause 109 of the agreement outlines ALGA's commitment and objectives to be progressed in this implementation plan. They are to:

- ensure local governments understand the agreement and its commitments and encourage its adoption by local governments;
- assist the state and territory governments to work with local governments in the implementation of this agreement; and
- support strengthened shared decision-making at the local level, supporting local governments to be part of partnerships with the federal, states, and territory governments and local Aboriginal and Torres Strait Islander Communities.

While ALGA has worked with state and territory local government associations to implement its commitments the efforts of individual local governments should be captured in the state and territory governments' implementation plan. This plan focuses on the actions ALGA and member state and territory associations have taken to support jurisdictions' work with their councils and First Nations peoples to achieve the objectives of the agreement.

Appendix C

Comparison of distribution models

Local Government Grants Commissions (commissions) in each state and the Northern Territory use distribution models to determine the grant they will recommend be allocated to councils in their jurisdiction. They use one model for allocating the general purpose funding among councils and a separate model for allocating the local road funding. This appendix provides a comparison of the approaches the grant commissions used for determining 2021–22 allocations.

General purpose component

In allocating the general purpose funding between councils within a jurisdiction, commissions are required under the *Local Government (Financial Assistance) Act 1995 (Cth)* (the Act) to comply with agreed National Principles (refer to Appendix A).

In practice, commissions determine an allocation that ensures all councils receive at least the minimum grant with the remaining allocated, as far as practicable, on a horizontal equalisation basis.

Usually, this results in commissions adopting a 3-step procedure to determine the general purpose allocations.

- Step 1 Commissions determine an allocation of the general purpose funding between councils on a horizontal equalisation basis.
- Step 2 All councils receive at least the minimum grant. In most jurisdictions, in order for all councils to receive at least the minimum grant, allocations to some councils have to be increased relative to their horizontal equalisation grant.
- Step 3 If allocations to some councils are increased in Step 2, then allocations to other councils must decrease relative to their horizontal equalisation grant. This is achieved by a process called ‘factoring back’.

In Step 3, because allocations to some councils are decreased, the resultant grant may be less than the minimum grant. As a result, Steps 2 and 3 of this procedure may need to be repeated until all councils receive at least the minimum grant and the general purpose funding for the jurisdiction has been completely allocated. More details on the approaches grant commissions use for Steps 1 and 3 are provided in the following pages.

Allocating on a horizontal equalisation basis

An allocation on a horizontal equalisation basis is defined in section 6 of the Act. More specifically, according to sub-section 6(3), horizontal equalisation:

- a. ensures that each local governing body in a State [or Northern 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 [or Northern Territory]
- b. takes account of differences in the expenditure required to be incurred by local governing bodies in the performance of their functions and in their capacity to raise revenue.

The 'average standard' is a financial standard. It is based on the expenditure undertaken and revenue actually obtained by all councils in the jurisdiction.

Horizontal equalisation, as defined in the Act, is about identifying advantaged and disadvantaged councils and bringing all the disadvantaged councils up to the financial position of a council operating at the average standard. This means the task of the commissions is to calculate, for each disadvantaged council, the level of general purpose grant it requires to balance its assessed costs and assessed revenues.

When determining grant allocations on a horizontal equalisation basis, Local Government Grants Commissions use one of 2 distribution models:

- balanced budget – based on the approach of assessing the overall level of disadvantage for a council using a notional budget for the council
- direct assessment – based on the approach of assessing the level of disadvantage for a council in each area of expenditure and revenue.

Table 39 shows the type of distribution model used by each commission.

Table 39 *Distribution models used for general purpose grant allocations for 2021–22*

State	Model used
NSW	Direct assessment model
Vic	Balanced budget model
Qld	Balanced budget model
WA	Balanced budget model
SA	Direct assessment model (for local governing bodies outside the incorporated areas [the Outback Communities Authority and 5 Aboriginal Communities] allocations are made on a per capita basis)
Tas	Balanced budget model
NT	Balanced budget model

Source: Information provided by Local Government Grants Commissions.

The balanced budget model

Victoria, Queensland, Western Australia, Tasmania and the Northern Territory use the balanced budget approach. Their models are based on making an assessment of each council's costs of providing services and its capacity to raise revenue, including its capacity to obtain other grant assistance.

The balanced budget model can be summarised as:

General purpose allocation to a council equals

- assessed costs of providing services
- plus assessed average operating surplus/deficit
- less assessed revenue
- less actual receipt of other grant assistance.

The direct assessment model

New South Wales and South Australia use the direct assessment approach. Their models are based on assessing the level of advantage or disadvantage in each area of expenditure and revenue and summing these assessments over all areas of expenditure and revenue for all councils.

In each area of expenditure or revenue, an individual council's assessment is compared to the average council. The direct assessment model calculates an individual council's level of disadvantage or advantage for each area of expenditure and revenue, including for other grant assistance.

The direct assessment model can be summarised as:

General purpose allocation to a council equals

- an equal per capita share of the general purpose pool
- plus expenditure needs
- plus revenue needs
- plus other grant assistance needs.

The balanced budget and direct assessment models will produce identical assessments of financial capacity for each council, if the assessed average operating surplus or deficit is included in the balanced budget model.

Scope of equalisation

The scope of equalisation is about the sources of revenue raised and the types of expenditure activities that a commission includes when determining an allocation of the general purpose grant on a horizontal equalisation basis. Table 40 shows the differences in the scope of equalisation of the commissions.

Table 40 Scope of equalisation in commissions' models for general purpose grants

Expenditure function	NSW	Vic	Qld	WA	SA	Tas	NT
Administration	Yes	Yes	Yes	Yes	No	Yes	Yes
Law, order and public safety	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Education, health and welfare	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Community amenities	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Recreation and culture	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Transport – local roads	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Transport – airports	Yes	Yes	Yes	Yes	Yes	Yes	No
Transport – public transport	No	No	Yes	No	No	N/A	No
Transport – other transport	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Building control	Yes	Yes	Yes	No	Yes	Yes	No
Garbage	No	Yes	Yes	Yes	Yes	Yes	Yes
Water	No	No	No	No	No	N/A	No
Sewerage	No	No	No	No	No	N/A	No
Electricity	No	No	No	No	No	N/A	No
Capital	No	No	No	No	No	No	No
Depreciation	Yes	Yes	Yes	Yes	Yes	Yes	No
Debt servicing	No	Yes	No	Yes	No	Yes	No
Entrepreneurial activity	No	No	No	No	No	Yes	No
Agency arrangements	No	No	No	No	No	No	No
Revenue function	NSW	Vic	Qld	WA	SA	Tas	NT
Rate revenue	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Operation subsidies	No	No	Yes	Yes	Yes	Yes	Yes
Garbage charges	No	Yes	Yes	Yes	Yes	Yes	Yes
Water charges	No	No	No	No	No	N/A	No
Sewerage charges	No	No	No	No	No	N/A	No
Airport charges	No	No	Yes	No	No	Yes	No
Parking fees and fines	No	Yes	Yes	Yes	No	No	Yes
Other user charges	No	Yes	Yes	Yes	No	Yes	Yes

Notes: Functions for which a 'Yes' is provided above are not necessarily separately assessed by the relevant Local Government Grants Commission, but may be included as part of another assessed function. For example, depreciation might be included as a cost under the category for which the relevant asset is provided. Similarly, revenue functions might be included as reductions in the associated expenditure function.

N/A = not applicable.

Source: Information provided by Local Government Grants Commissions in each state and the Northern Territory.

Revenue assessments

Sources of revenue for local government include rates, user charges and government grants. The treatment of revenue assessments is discussed in this section.

New South Wales undertakes an assessment of a council's relative capacity to raise revenue and uses revenue allowances to attempt to compensate councils for their relative lack of revenue-raising capacity. Property values are used as the basis for assessing revenue-raising capacity, as rates, based on property values, are the principal source of council income. Property values also indicate the relative economic strength of local areas. In the revenue allowance calculation, councils with low values per property are assessed as being disadvantaged and are brought up to the average (positive allowances), while councils with high values per property are assessed as being advantaged and are brought down to the average (negative allowances). Separate calculations are made for urban and non-urban properties.

Revenue allowances are substantially more significant than the expenditure allowances. This issue was discussed with the Australian Government and the agreed principles provide that 'revenue allowances may be discounted to achieve equilibrium with the expenditure allowances'. As a result, both allowances are given equal weight.

The discounting helps reduce the distortion caused to the revenue calculations as a result of the property values in the Sydney metropolitan area.

For each council, **Victoria** calculates a raw grant, which is determined by subtracting the council's standardised revenue from its standardised expenditure. A council's standardised revenue is intended to reflect its capacity to raise revenue from its community and, in the case of standardised rates revenue, is calculated for each council by multiplying its valuation base (on a capital improved value basis) by the average rate across all Victorian councils over 3 years. The payments in lieu of rates received by some councils for major facilities, such as power generating plants and airports, have been added to their standardised revenue to ensure that all councils are treated on an equitable basis. Rate-revenue-raising capacity is calculated separately for each of the 3 major property classes (residential, commercial/industrial/other and farm) using a 4-year average of valuation data.

The Victorian Grants Commission constrains increases in each council's assessed revenue capacity to improve stability in grant outcomes. The constraint for each council has been set at the statewide average increase in standardised revenue adjusted by the council's own rate of population growth to reflect growth in the property base.

A council's relative capacity to raise revenue from user fees and charges, or standardised fees and charges revenue, also forms part of the calculation of standardised revenue. The assessed capacity to generate user fees and charges for each council is added to its standardised rate revenue to produce total standardised revenue.

Queensland uses the revenue categories of: rates; garbage charges; fees and charges; and other grants and subsidies. Queensland's rating assessment has remained as follows: the total Queensland rate revenue is divided by the total land valuation for Queensland. This derives a cent-in-the-dollar average, which is then multiplied by the total land valuation of each council. This is then adjusted, to allow for each council's capacity to raise rates, using an Australian Bureau of Statistics product, the Socio-Economic Indexes for Areas (SEIFA). The methodology uses 3 of the indices: Index of Relative Socio-Economic Advantage and Disadvantage (SEIFA 2); Index of Economic Resources (SEIFA 3); and Index of Education and Occupation (SEIFA 4). Because Indigenous councils do not generally levy rates, 20 per cent of their Queensland Government Financial Aid allocation is used as a proxy for rate revenue.

In **Western Australia**, calculation of assessed revenue capacity is based on a standardised mathematical formula updated annually and involves assessing the revenue-raising capacity of each local government in the categories of: residential, commercial and industrial rates; agricultural rates; pastoral rates; mining rates; and investment earnings.

South Australia estimates the revenue-raising capacity of each council for 5 land use categories: residential, commercial, industrial, rural, and other. Its 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 a revenue relativity index for the council, and those for the state as a whole, and multiplying this back by the council's population. To overcome fluctuations in the base data, valuations, rate revenue and population are averaged over 3 years.

In **Tasmania**, revenue capacity is calculated as the 3-year average of:

- the revenue a council would raise by applying the statewide average rate to the adjusted assessed annual value of all its properties subject to rates and charges (standardised revenue) plus
- the council's per capita grant allocation plus
- Other Financial Support receipts that meet the criteria for inclusion.

Each council's relative needs grant is determined by the difference between the Commission's assessment of each council's expenditure requirement necessary to provide services to a common standard with all other councils, and each council's capacity to raise revenue to fund the delivery of those services, as calculated by the Commission. The difference between the Commission's assessment of each council's revenue capacity and expenditure requirement indicates each council's relative need for additional support, and thus a share of the relative needs pool.

In the **Northern Territory**, the methodology calculates standards by applying cost adjusters and average weightings to assess the revenue-raising capacity and expenditure need of each council. The assessment is the Northern Territory Grants Commission's measure of the ability of each council to function at the average standard in accordance with the National Principles. For most local governments, the assessed expenditure needs exceed the assessed revenue capacity, meaning there is an assessed need.

As the ownership of the land on which many communities are located across the Northern Territory is vested in land trusts established pursuant to the *Aboriginal Lands Rights (Northern Territory) Act 1976 (Cth)*, it is not feasible to use a land valuation system solely as the means for assessing revenue-raising capacity. In 2021–22, 3 councils' assessed revenue capacity was greater than assessed expenditure need, meaning that there was no assessed need.

Other grant support – National Principle

The fourth National Principle for the general purpose grant (National Principle A4) involves the revenue assessment and states:

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.

This National Principle requires commissions, when determining the allocations on a horizontal equalisation basis, to include all grants that are provided to councils from governments as part of the revenue that is available to councils to finance their expenditure

needs. Only those grants that are available to councils to finance the expenditure of a function that is assessed by commissions should be included. Both the grant received and the expenditure it funds should be included in the allocation process.

Table 41 provides details on the grants included by commissions in allocating the general purpose component in 2021–22.

Table 41 Grants treated by inclusion for 2021–22 by jurisdiction

State	Grants treated by inclusion in general purpose allocations
NSW	Local road grant and library grant. Expenditure allowances for services are discounted, where appropriate, to recognise the contribution of specific purpose grants.
Vic	Net standardised expenditure has been obtained for each function by subtracting standardised grant support (calculated on an average per unit basis) from gross standardised expenditure. This ensures that other grant support is treated on an 'inclusion' basis. Net standardised expenditure for the Local Roads and Bridges expenditure function for each council is calculated by subtracting other grant support (based on the actual identified local roads grant and a proportion of Roads to Recovery grants) from gross standardised expenditure.
Qld	Three grants are included by the Commission, as follows: previous year's Local Roads Component (50 per cent); Queensland Government Financial Aid (Indigenous councils only – 20 per cent); and the minimum grant component of the previous year's general purpose grant (100 per cent).
WA	Other grants are included with other revenues and are netted from expenditure. This reduces the expenditure total of each function by the total amount of available grants. Consistent with natural weighting, Western Australia's assessments are scaled to the actual amount of total revenue and total expenditure.
SA	Subsidies that are of the type that most councils receive and are not dependent upon their own special effort – they are effort neutral – are treated by the 'inclusion approach'. That is, subsidies such as those for library services and roads are included as a revenue function.
Tas	All revenues are included except where a case is made for its exclusion. Other Financial Support include revenues and grants that are received from sources where the council has no influence over what revenue or grant is derived.
NT	Other grant support to local governing bodies includes 50 per cent of the Roads to Recovery grant and 100 per cent of both the library and local roads grant.

Source: Based on information provided by Local Government Grants Commissions.

Expenditure assessments

In addition to expenditure on local roads, the main expenditures of councils are on general public services, including the organisation and financial administration of councils; recreation facilities; and sanitation and protection of the environment, including disposal of sewerage, stormwater drainage and garbage. Assessing local road expenditure needs for the general purpose grant is discussed in the next section.

New South Wales has calculated expenditure allowances for each council for 6 council services. An additional allowance is calculated for councils outside the Sydney statistical division that recognises their isolation. A pensioner rebate allowance is calculated which recognises that a council's share of pensioner rebates is a compulsory additional cost. Councils with high proportions of ratepayers that qualify for eligible pensioner rebates are considered to be more disadvantaged than those with a lower proportion.

Generally, for each expenditure function, an allowance will be determined using recurrent cost.

Disability factors are also considered among the expenditure categories. A disability factor is the estimate of the additional cost of providing a standard service, due to inherent characteristics beyond the control of a council.

In 2018–19, the Commission adopted a revised model with a transition period. In steering the path out of the transition, the Commission has given consideration to many external factors and, to this point, has retained the 0 per cent floor or lower limit on decreases in allocations to councils. The Commission continues to consult with the sector about resuming the lower limit to minus 5 per cent.

In **Victoria**, the standardised expenditure is calculated for each council on the basis of 9 expenditure functions. Between them, these expenditure functions include all council recurrent expenditure. The Victorian model ensures that the gross standardised expenditure for each function equals aggregate actual expenditure by councils, thus ensuring that the relative importance of each of the 9 expenditure functions in the model matches the pattern of actual council expenditure.

For each function, with the exception of Local Roads and Bridges, *gross standardised expenditure* is obtained by multiplying the relevant major cost driver by:

- the average Victorian council expenditure on that function, per unit of need; and
- a composite cost adjustor which takes account of factors that make service provision cost more or less for individual councils than the state average.

Net standardised expenditure has been obtained for each function by subtracting standardised grant support (calculated on an average per unit basis) from gross standardised expenditure.

The total standardised expenditure for each council is the sum of the standardised expenditure calculated for each of the 9 expenditure functions.

Queensland includes 9 service categories in its expenditure assessments: administration; public order and safety; education, health, welfare and housing; garbage and recycling; community amenities, recreation, culture and libraries; building control and town planning; business and industry development; roads; and environment. Furthermore, Queensland applies a suite of cost adjustors to service categories to allow for differences in service delivery across the state.

In **Western Australia**, assessed expenditure need is based on a standardised mathematical formula updated annually, involving the assessment of each local government's operating expenditures in the provision of core services and facilities under the following 'standard' categories: governance; law, order and public safety; education, health and welfare; community amenities; recreation and culture; and transport. The standardised assessments for each local government are adjusted by cost adjustors which recognise the additional costs that individual local governments experience in the provision of services due to a range of causes.

In **South Australia**, 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 uses 20 expenditure categories including the local road categories.

Component grants for all revenue categories and expenditure functions, calculated for each council above, are aggregated to give each council's total raw calculation figure.

Tasmania calculates its standard expenditure for each council by, firstly, calculating the total actual statewide expenditure for each expenditure category and by, secondly, redistributing that total between all councils on a per capita basis. It then applies cost adjusters to each council's standard expenditure to reflect inherent cost advantages/disadvantages faced by individual councils in providing services.

Tasmania's base grant model cost adjusters include: absentee population; climate; dispersion; isolation; population decline; service industry employment; scale (admin); scale (other); tourism; worker influx; and Socio-Economic Indexes For Areas – Index of Relative Socio-economic Disadvantage.

In the **Northern Territory**, the assessment of standard expenditure is based on the Territory's average per capita expenditure within the expenditure functions to which cost adjusters reflecting the assessed disadvantage of each local government are applied. The Northern Territory Grants Commission currently uses 9 expenditure functions in accordance with the Australian Bureau of Statistics' Local Government Purpose Classifications. The assessment model ensures that the gross standard expenditure for each function equals the total actual identified expenditure of councils.

Assessing local road expenditure needs under the general purpose grant

As part of the expenditure needs assessment to determine the general purpose allocation, commissions also assess each council's local road needs. The main features of the models that the commissions use to assess local road needs and determine the general purpose allocations in 2021–22 are discussed here.

The **New South Wales** method of allocating the local road component is based on a formula developed by the New South Wales roads authority. The formula uses councils' proportions of the state's population, local road length and bridge length.

In **Victoria**, standardised expenditure for the Local Roads and Bridges expenditure function within the general purpose grant model is based on the grant outcomes for each council under the Commission's local roads grants model. This incorporates a number of cost modifiers (similar to cost adjusters) to take account of differences between councils. Net standardised expenditure for this function for each council is calculated by subtracting other grant support (based on actual identified local roads grants and a proportion of Roads to Recovery grants) from gross standardised expenditure.

Queensland uses an asset preservation model to assess road expenditure, estimating the cost to maintain a council's road network, including bridges and hydraulics. Allowances are given for heavy vehicles, which increase the road usage, increasing a council's road expenditure amount.

Western Australia calculates the local road component using the asset preservation model, which has been in place since 1992. The model assesses the average annual costs of maintaining each local government's road network and has the capacity to equalise road standards through the application of minimum standards. These standards help local governments that have not been able to develop their road systems to the same standard as more affluent local governments.

South Australia's expenditure functions include the following ones for roads: sealed roads – built-up; sealed roads – non-built-up; sealed roads – footpaths etc; unsealed roads – built-up; unsealed roads – non-built-up; unformed roads.

In **Tasmania**, standardised road expenditure for the base grant equalisation model is calculated by redistributing the total actual statewide road expenditure (net of any operational OFS receipts) based on each council's relative share of the distribution of the road grant as calculated by the Road Preservation Model (RPM).

To determine the local road grant, the **Northern Territory** applies a weighting to each council by road length and surface type. These weightings are: 27.0 for sealed, 12.0 for gravel, 10.0 for cycle paths, 7.0 for formed roads and 1.0 for unformed roads. The general purpose location factor is also applied to recognise relative isolation.

Needs of Indigenous communities

The fifth National Principle for distribution of the general purpose grant (National Principle A5) states:

Financial assistance shall be allocated to councils in a way which recognises the needs of Aboriginal peoples and Torres Strait Islanders within their boundaries.

While the special needs of Indigenous Australians are recognised when assessing the expenditure of councils on services in all jurisdictions, it remains the decision of each council as to how the grant will be spent and what services will be provided for its Indigenous residents. A summary of this recognition is provided here.

In **New South Wales**, services to Aboriginal communities are considered as part of the expenditure allowances through the use of a cost adjustor for Indigeneity. The methodology also considers the needs of Aboriginal communities with regard to their access and internal local roads needs in the distribution of the local road component.

Victoria includes a cost adjustor that reflects the Indigenous population when calculating the general purpose component of allocations to councils.

Queensland applies a cost adjustor for:

- location – this represents the additional costs in the provision of services related to the council location and is based on the Accessibility/Remoteness Index for Areas
- scale – this recognises economies of scale and is based on a sliding scale from 1 to 2, with any council with a higher population than the average having a cost adjustor of 1 and the smallest council in Queensland with an adjustor of 2
- demography – this represents the additional use of facilities and increased service requirements due to the composition of the population according to age and Indigenous descent. These are calculated on a sliding scale from 1 to 2 reflecting the proportion of residents who are Indigenous, aged, young and Indigenous people over 50 years of age.

Western Australia applies an Indigenous factor as a cost adjustor for most of its expenditure standards in its calculation of general purpose grants and considers Indigenous population data from the Australian Bureau of Statistics when calculating the cost adjustors applied to the expenditure standard.

In **South Australia**, an expenditure function, named Other Needs Assessments, comprises commission determined relative expenditure needs of councils with respect to, among other things, Aboriginal people. For local governing bodies outside the incorporated areas (the Outback Communities Authority and 5 Aboriginal communities) allocations are made on a per capita basis due to the lack of comparable data.

In **Tasmania**, the States Grant Commission has formally investigated and considered the issue of how to recognise the needs of Aboriginal peoples and Torres Strait Islanders within council boundaries in its base grant assessment process. Based on both the Index of Relative Indigenous Socio-economic Outcomes and advice provided by those councils with the highest proportion of their populations recognised as Indigenous, the Commission has formally determined that no additional adjustments are needed, within Tasmania's base grant model methodologies, in order to account for the different needs of Aboriginal peoples and Torres Strait Islanders across municipalities in Tasmania.

The **Northern Territory** applies a cost adjustor, based on the proportion of the population that is Indigenous, to its expenditure assessments for certain expenditure categories. The majority of shire service delivery in the Northern Territory is to remote communities whose population is almost entirely Indigenous Australian.

Council amalgamation – National Principle

A sixth National Principle for the general purpose grant applies to councils that amalgamate. The amalgamation principle (National Principle A6) took effect on 1 July 2006 and states:

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

In addition to complying with the other National Principles for the general purpose grant, grants commissions are required to treat the general purpose grant allocated to councils, formed as the result of amalgamation, in a way that is consistent with this National Principle.

No amalgamations occurred during 2021–22.

Factoring back and satisfying the minimum grant principle

Once the revenue capacity and expenditure needs have been determined for each council, the raw grant can be calculated by subtracting its revenue capacity from expenditure needs, the difference being each council's raw general purpose grant.

There are 2 situations that require commissions to apply a 'factoring back' process. The first situation is when the total raw grant does not equal the available grant for the jurisdiction. This can occur when the commission has not:

- assessed all revenue and expenditure categories for councils in the jurisdiction
- ensured that the total assessed revenue and expenditure across all councils in the jurisdiction equals the total actual revenue and expenditure for all councils
- used a budget result term for each council when applying the balanced budget approach.

The use of a consistent approach for allocating grants would address this issue.

The second situation occurs when the raw grant allocation for a council does not comply with the minimum grant National Principle. National Principle A3 requires:

The minimum general purpose grant allocation for a local governing body in a year will be not less than the amount to which the local governing body would be entitled if 30 per cent of the total amount of general purpose grant to which the State/Territory is entitled under section 9 of the Act in respect of the year were allocated among local governing bodies in the State/Territory on a per capita basis.

Grants to councils with raw grant allocations below the minimum grant (including negative grant) are increased to comply with the minimum grant National Principle. This requires grants to other councils in the jurisdiction to be reduced through a factoring back process.

Should the grant to one or more councils following the initial factoring back process reduce their grant below the minimum grant, the factoring back process would be repeated. This process would have to be repeated until both the minimum grant and available grant constraints are simultaneously met.

Two approaches are used by commissions for factoring back the raw grant:

- proportional method – each raw grant for a council is reduced by the same proportion so that the total of the grant equals the available grant
- equalisation ratio method – each grant for a council is reduced such that all councils can afford to fund the same proportion of their expenditure needs with their total income (assessed revenue capacity plus other grant support and general purpose grant).

In Western Australia, the Commission changed its phasing policy for the 2018–19 grant determinations. It had become apparent that, due to the limited funding pool growth in recent years, the Commission was unable to provide the desired increases in grants to local governments that were receiving significantly less than their general purpose equalisation need. As a result, in recent years, the Commission has been transitioning local governments to a common scaleback to ensure equity between local government grants. This method continues to be used.

The amount of cash that finally ends up being paid in a financial year to a council for general purpose needs is its actual grant for that financial year for general purpose needs.

Most jurisdictions apply floors and ceilings (that is, limits) to the increases or decreases, in general purpose funding, which councils are granted in any one financial year over the previous financial year(s). This too can result in the need for some positive or negative feedback into the calculations of the final actual general purpose grants paid to councils within a particular jurisdiction in a particular financial year.

Local road component

The National Principles require the local road grant to be allocated so that, as far as practicable, the grant is allocated to councils (National Principle B1):

... on the basis of the relative needs of each council for roads expenditure and to preserve its road assets. In assessing road needs, relevant considerations include length, type and usage of roads in each council area.

For the local road needs assessment, the models are either relatively simple constructs or more complex asset preservation models.

New South Wales, South Australia and the Northern Territory use relatively simple models to allocate the local road grant. New South Wales and South Australia firstly classify local roads as either metropolitan or non-metropolitan and then allocate funding based mainly on the factors of population and road length. To determine the local road grant, the Northern Territory applies a weighting to each council by road length and surface type.

Queensland, Victoria, Western Australia, and Tasmania use asset preservation models to allocate the local road grant. The asset preservation model attempts to measure the annual cost of maintaining a road network. It takes into account recurrent maintenance costs and the cost of reconstruction at the end of the road's useful life. It can also take other factors into account such as the:

- costs associated with different types of roads (sealed, gravel and formed roads)
- impact of weather, soil types and materials availability on-costs
- impact of traffic volume on the cost of maintaining these roads.

Prior to applying their grant allocation methodologies, Western Australia and South Australia quarantine 7 per cent and 15 per cent respectively for funding special road projects. Expert committees provide advice on the projects to be funded.

Table 42 summarises the main features of the models used by the commissions for allocating local road grants in 2021–22.

Table 42 Allocating local road grants in 2021–22

State	Features of the distribution model for allocating local road grants
NSW	<p>Initially, 27.54 per cent is distributed to local roads in urban areas and 72.46 per cent to local roads in rural areas.</p> <p>In urban areas, 5 per cent is distributed to individual councils on the basis of bridge length and the remaining 95 per cent is distributed to councils on the basis of road length and population.</p> <p>In rural areas, 7 per cent is distributed to individual councils on the basis of bridge length and 93 per cent is distributed to councils on the basis of road length and population.</p>
Vic	<p>Victoria's formula for allocating local roads grants is based on each council's road length (for all surface types) and traffic volumes, using average annual preservation costs for given traffic volume ranges. The methodology also includes a series of cost modifiers for freight loading, climate, materials, sub-grade conditions and strategic routes, and takes account of the deck area of bridges on local roads.</p> <p>The commission calculates a total network cost for each council's local roads. The actual local roads grant is calculated by applying the available funds in proportion to each council's calculated network cost.</p>
Qld	<p>Queensland allocates, as far as practicable, on the basis of the relative need of each local government for roads expenditure and to preserve its road assets using a formula based on road length and population. This formula is: 62.85 per cent is allocated according to road length and 37.15 per cent is allocated according to population.</p>
WA	<p>Western Australia recommends the distribution of the local road component using its asset preservation model.</p> <p>Under the arrangements approved for Western Australia, 7 per cent of the Commonwealth funds provided for local roads are allocated for special projects (one-third for roads servicing remote Indigenous communities and two-thirds for bridges). The remaining 93 per cent is distributed in accordance with road preservation needs as determined by the Commission's Asset Preservation Model. The model assesses the average annual costs of maintaining each local government's road network and has the capacity to equalise road standards through the application of minimum standards. These standards help local governments that have not been able to develop their road systems to the same standard as more affluent local governments.</p>
SA	<p>In South Australia, the identified local road grant pool is divided into formula grants (85 per cent) and special local road grants (15 per cent). The formula component is divided between metropolitan and nonmetropolitan councils on the basis of an equal weighting of road length and population.</p> <p>In the metropolitan area, allocations to individual councils are determined again by an equal weighting of road length and population. In the non-metropolitan area, allocations are made on an equal weighting of road length, population and the area of each council.</p> <p>Distribution of the special local road grants is based on recommendations from the Local Government Transport Advisory Panel. The Panel is responsible for assessing submissions from the metropolitan local government group and regional associations on local road projects of regional significance.</p>
Tas	<p>A Road Preservation Model (RPM) is used by the Commission to distribute the road grant amongst councils. The RPM assesses each council's share of the annualised cost for the whole-of-life preservation cost of council road, bridge and culvert assets in the state.</p> <p>The RPM uses 3 standard profiles, based on typical Tasmanian road characteristics, to categorise roads in Tasmania, as well as average costs to construct and maintain these roads over their typical lifetime. This is used to calculate the state average cost per kilometre, per year, for councils to maintain their road networks. The 3 road types used in the assessment are Urban Sealed, Rural Sealed and Unsealed Roads.</p> <p>Cost adjustors and allowances are applied within the RPM to account for relative cost advantages or disadvantages faced by councils in maintaining their roads. The road cost adjustors are rainfall, terrain, traffic and remoteness. An urbanisation allowance is also applied to eligible road lengths in recognised urban areas.</p> <p>The RPM calculates an assessed, annualised cost for each council to preserve its road network. The road grant is then distributed to councils based on their share of the total statewide assessed annual asset preservation costs.</p>
NT	<p>To determine the local road grant, the Northern Territory applies a weighting to each council by road length and surface type. These weightings are: 27.0 for sealed, 12.0 for gravel, 10.0 for cycle paths, 7.0 for formed roads and 1.0 for unformed roads. The general purpose location factor is also applied to recognise relative isolation.</p>

Source: Information provided by Local Government Grants Commissions.

Appendix D

Local governing body distribution in 2021–22

Appendix D shows the distribution of funding under the Financial Assistance Grant program and some basic information such as population, area in square kilometres and road length in kilometres for each local governing body in Australia.

The tables in this appendix show the actual total grant entitlement for 2021–22, which includes the bring forward from 2021–22 paid to councils in June 2021. The components of the Financial Assistance Grant program, including the general purpose grant and the local road grant, are also provided.

The councils are listed alphabetically by state and the Northern Territory. The Australian Classification of Local Governments (ACLG) category for each council is listed in the second column. An explanation of the ACLG is given in Appendix F.

To facilitate comparison, the general purpose grant per capita and the local road grant per kilometre are provided for 2021–22. These per capita and per kilometre amounts are for comparative reporting only. They are not the basis of the formula used by Local Government Grant Commissions to allocate the general purpose grant or local road grant to each council within a state or territory. Details of each jurisdiction's methodology can be found in Appendix B.

Councils receiving the minimum per capita grant in 2021–22 are indicated with a 'Yes' beside their entry in the 'General purpose grant per capita' column. The per capita grant of these councils differs slightly between jurisdictions because of different data sources for population used by the Australian Government and the Local Government Grants Commissions. For further information on the minimum grant entitlement, refer to Chapter 2 – Financial Assistance Grant program.

Indigenous local governing bodies are identified in Appendix D by an asterisk (*) against the name of the council.

Local governing bodies that are recipients of 'Special Works' funding in South Australia and Western Australia are identified by a superscript abbreviation (SW). Special Works funding is included in the total local road funding.

The source of the data is the relevant state or territory Local Government Grants Commission.

Table 43 Distribution of 2021–22 actual entitlement to councils in New South Wales

Council name	Classification	Population Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Albury City Council	URM	55,055	306	545	5,267,459	1,607,920	6,875,379	95.68	No	2,950.31
Armistead Regional Council	URM	29,704	7,809	1,727	4,619,013	2,571,935	7,190,948	155.50	No	1,489.25
Ballina Shire Council	URM	45,217	485	655	3,379,036	1,597,149	4,976,185	74.73	No	2,438.40
Balranald Shire Council	RAM	2,306	21,691	1,326	3,302,399	1,466,092	4,768,491	1,432.09	No	1,105.65
Bathurst Regional Council	URM	43,996	3,818	1,160	4,653,655	2,215,396	6,869,051	105.77	No	1,909.82
Bayside Council	UDV	181,472	50	339	3,985,685	1,295,456	5,281,141	21.96	Yes	3,821.40
Bega Valley Shire Council	URM	34,727	6,279	1,225	5,571,887	2,230,278	7,802,165	160.45	No	1,820.64
Bellingen Shire Council	RAV	13,141	1,600	535	3,201,337	1,017,640	4,218,977	243.61	No	1,902.13
Berrigan Shire Council	RAL	8,784	2,066	1,280	3,743,970	1,553,172	5,297,142	426.23	No	1,213.42
Blacktown City Council	UDV	382,831	240	1,393	13,909,926	3,891,599	17,801,525	36.33	No	2,793.68
Bland Shire Council	RAL	5,937	8,558	2,983	5,243,435	3,341,237	8,584,672	883.18	No	1,120.09
Blayney Shire Council	RAL	7,382	1,525	688	2,065,040	954,294	3,019,334	279.74	No	1,387.06
Blue Mountains City Council	UFL	79,195	1,431	727	7,856,452	1,482,030	9,338,482	99.20	No	2,038.56
Bogan Shire Council	RAM	2,529	14,600	1,371	3,214,198	1,603,599	4,817,797	1,270.94	No	1,169.66
Bourke Shire Council	RAM	2,625	41,600	1,883	4,854,627	2,113,454	6,968,081	1,849.38	No	1,122.39
Brewarrina Shire Council	RAS	1,553	19,164	1,272	3,555,292	1,452,959	5,008,251	2,289.31	No	1,142.26
Burwood Council	UDM	40,866	7	82	929,465	295,690	1,225,155	22.74	No	3,605.98
Byron Shire Council	URM	35,773	566	565	2,224,829	1,341,517	3,566,346	62.19	No	2,374.37
Cabonne Shire Council	RAV	13,677	6,022	1,709	3,224,620	2,273,663	5,498,283	235.77	No	1,330.41
Campbelltown City Council	UFV	174,078	312	737	8,527,897	2,023,937	10,551,834	48.99	No	2,746.18
Canterbury-Bankstown Council	UDV	380,406	110	858	8,525,706	2,920,367	11,446,073	22.41	No	3,403.69
Carrathool Shire Council	RAM	2,796	18,935	2,275	4,278,627	2,578,425	6,857,052	1,530.27	No	1,133.37
Central Coast Council (NSW)	UFV	345,809	1,681	2,051	22,509,212	4,851,492	27,360,704	65.09	No	2,365.43
Central Darling Shire Council	RTM	1,829	53,492	1,602	4,794,330	1,766,301	6,560,631	2,621.28	No	1,102.56

Council name	Classification	Population Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Cessnock City Council	URM	61,256	1,965	948	5,840,329	1,959,029	7,799,358	95.34	No	2,066.49
City of Canada Bay Council	UDL	96,550	20	191	2,120,536	701,889	2,822,425	21.96	Yes	3,674.81
City of Lithgow Council	URS	21,516	4,512	886	3,846,372	1,401,817	5,248,189	178.77	No	1,582.19
City of Parramatta Council	UDV	260,296	84	614	7,594,284	2,182,897	9,777,181	29.18	No	3,555.21
Clarence Valley Council	URM	51,730	10,429	2,062	8,117,016	3,617,286	11,734,302	156.91	No	1,754.26
Cobar Shire Council	RTL	4,417	45,575	1,693	4,664,256	1,907,412	6,571,668	1,055.98	No	1,126.65
Coffs Harbour City Council	URL	77,648	1,174	807	5,580,754	2,467,123	8,047,877	71.87	No	3,057.15
Coolamon Shire Council	RAM	4,291	2,431	1,255	2,732,989	1,426,768	4,159,757	636.91	No	1,136.87
Coonamble Shire Council	RAM	3,907	9,916	1,393	3,072,712	1,635,379	4,708,091	786.46	No	1,174.00
Cootamundra-Gundagai Regional Council	RAV	11,225	3,981	1,265	4,043,380	1,732,546	5,775,926	360.21	No	1,369.60
Council of the City of Broken Hill	URS	17,269	170	211	4,934,462	533,292	5,467,754	285.74	No	2,527.45
Council of the City of Ryde	UDV	133,224	41	311	2,926,011	1,048,304	3,974,315	21.96	Yes	3,370.75
Council of the City of Shellharbour	URL	74,622	147	409	4,523,722	1,025,069	5,548,791	60.62	No	2,506.28
Council of the Municipality of Woollahra	UDM	59,431	12	140	1,305,288	472,167	1,777,455	21.96	Yes	3,372.62
Cowra Shire Council	RAV	12,730	2,809	1,200	3,568,878	1,608,548	5,177,426	280.35	No	1,340.46
Cumberland Council	UDV	242,674	72	565	6,635,192	1,910,817	8,546,009	27.34	No	3,381.98
Dubbo Regional Council	URM	54,044	7,535	2,512	8,529,518	3,761,402	12,290,920	157.83	No	1,497.37
Dungog Shire Council	RAL	9,664	2,250	604	1,939,305	1,023,896	2,963,201	200.67	No	1,695.19
Edward River Council	RAL	9,083	8,883	1,398	4,430,688	1,689,693	6,120,381	487.80	No	1,208.65
Eurobodalla Shire Council	URM	38,952	3,428	954	5,744,063	1,835,007	7,579,070	147.47	No	1,923.49
Fairfield City Council	UDV	210,825	102	613	7,691,059	1,866,077	9,557,136	36.48	No	3,044.17
Federation Council	RAV	12,598	5,685	2,024	5,056,267	2,467,566	7,523,833	401.35	No	1,219.15
Forbes Shire Council	RAL	9,920	4,710	1,745	3,875,809	2,153,473	6,029,282	390.71	No	1,234.08
Georges River Council	UDV	160,272	38	366	3,520,068	1,222,241	4,742,309	21.96	Yes	3,339.46

Council name	Classification	Population Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Gilgandra Council	RAM	4,229	4,832	1,237	2,929,315	1,486,724	4,416,039	692.67	No	1,201.88
Glen Innes Severn Council	RAL	8,873	5,480	1,092	3,153,694	1,532,971	4,686,665	355.43	No	1,403.82
Goulburn Mulwaree Council	URM	31,554	3,220	1,138	3,684,632	1,991,722	5,676,354	116.77	No	1,750.20
Greater Hume Shire Council	RAV	10,841	5,750	1,789	3,616,540	2,314,174	5,930,714	333.60	No	1,293.56
Griffith City Council	URS	27,155	1,639	1,247	4,346,926	1,822,466	6,169,392	160.08	No	1,461.48
Gunnedah Shire Council	RAV	12,690	4,987	1,366	3,319,395	1,778,213	5,097,608	261.58	No	1,301.77
Gwydir Shire Council	RAL	5,299	9,260	1,732	3,153,153	2,060,618	5,213,771	595.05	No	1,189.73
Hawkesbury City Council	UFM	67,749	2,775	920	2,806,073	1,879,548	4,685,621	41.42	No	2,042.99
Hay Shire Council	RAM	2,943	11,326	777	2,649,411	895,774	3,545,185	900.24	No	1,152.86
Hilltops Council	RAV	18,617	7,141	2,442	5,744,317	3,113,993	8,858,310	308.55	No	1,275.18
Hornsby Shire Council	UFV	152,419	455	561	3,347,631	1,560,499	4,908,130	21.96	Yes	2,781.64
Hunter's Hill Council	UDS	14,962	6	48	360,833	138,376	499,209	24.12	No	2,882.83
Inner West Council	UDV	201,880	35	424	4,433,908	1,486,797	5,920,705	21.96	Yes	3,506.60
Inverell Shire Council	RAV	17,780	9,409	1,874	4,377,487	2,455,184	6,832,671	246.20	No	1,310.13
Junee Shire Council	RAL	6,676	2,030	826	2,186,789	1,032,170	3,218,959	327.56	No	1,249.60
Kempsey Shire Council	URS	29,921	3,376	1,105	4,642,698	2,071,312	6,714,010	155.17	No	1,874.49
Kiama Municipal Council	URS	23,685	258	228	1,333,030	556,578	1,889,608	56.28	No	2,441.13
Ku-Ring-Gai Council	UDV	127,603	85	441	2,802,556	1,237,277	4,039,833	21.96	Yes	2,805.62
Kyogle Council	RAL	8,788	3,584	1,069	3,178,656	1,771,683	4,950,339	361.70	No	1,657.33
Lachlan Council	RAL	6,089	14,968	3,339	6,550,596	3,750,138	10,300,734	1,075.81	No	1,123.13
Lake Macquarie City Council	URV	207,775	649	1,327	14,218,535	3,059,207	17,277,742	68.43	No	2,305.36
Lane Cove Municipal Council	UDM	40,534	11	93	919,006	314,622	1,233,628	22.67	No	3,383.03
Leeton Shire Council	RAV	11,343	1,167	878	3,742,660	1,158,063	4,900,723	329.95	No	1,318.98
Lismore City Council	URM	43,667	1,288	1,094	4,642,882	2,160,310	6,803,192	106.32	No	1,974.69
Liverpool City Council	UDV	231,296	306	907	6,754,909	2,570,187	9,325,096	29.20	No	2,833.72
Liverpool Plains Shire Council	RAL	7,853	5,082	1,195	2,722,054	1,523,870	4,245,924	346.63	No	1,275.21

Council name	Classification	Population Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Lockhart Shire Council	RAM	3,259	2,896	1,218	2,526,154	1,492,026	4,018,180	775.13	No	1,224.98
Lord Howe Island Board	RTX	382	0	0	251,261	0	251,261	657.75	No	0.00
Maitland City Council	URL	87,395	392	697	5,938,971	1,562,756	7,501,727	67.96	No	2,242.12
Mid-Coast Council	URL	94,395	10,054	3,261	13,288,241	5,968,884	19,257,125	140.77	No	1,830.38
Mid-Western Regional Council	URS	25,367	8,752	1,923	4,529,562	2,697,011	7,226,573	178.56	No	1,402.50
Moree Plains Shire Council	RAV	13,077	17,907	2,637	5,509,985	3,203,888	8,713,873	421.35	No	1,214.97
Mosman Municipal Council	UDM	30,785	9	85	745,001	257,632	1,002,633	24.20	No	3,030.96
Murray River Council	RAV	12,330	11,864	2,428	5,911,590	3,151,597	9,063,187	479.45	No	1,298.02
Murrumbidgee Council	RAM	3,916	6,881	1,591	3,282,752	1,812,237	5,094,989	838.29	No	1,139.06
Muswellbrook Shire Council	RAV	16,355	3,405	575	2,922,021	1,012,734	3,934,755	178.66	No	1,761.28
Nambucca Valley Council	RAV	19,861	1,491	680	3,114,227	1,351,885	4,466,112	156.80	No	1,988.07
Narrabri Shire Council	RAV	13,049	13,015	2,138	5,379,277	2,600,194	7,979,471	412.24	No	1,216.18
Narrandera Shire Council	RAL	5,858	4,116	1,479	3,609,305	1,754,993	5,364,298	616.13	No	1,186.61
Narramine Shire Council	RAL	6,460	5,262	1,369	3,275,228	1,600,705	4,875,933	507.00	No	1,169.25
Newcastle City Council	URV	167,363	187	757	11,108,047	1,974,280	13,082,327	66.37	No	2,608.03
North Sydney Council	UDL	75,094	11	143	1,649,296	528,362	2,177,658	21.96	Yes	3,694.84
Northern Beaches Council	UDV	274,041	254	800	6,018,798	2,416,973	8,435,771	21.96	Yes	3,021.22
Oberon Council	RAL	5,419	3,625	869	2,035,628	1,065,527	3,101,155	375.65	No	1,226.15
Orange City Council	URM	42,503	284	482	3,743,055	1,312,245	5,055,300	88.07	No	2,722.50
Parkes Shire Council	RAV	14,728	5,958	1,932	4,648,987	2,354,358	7,003,345	315.66	No	1,218.61
Penrith City Council	UFV	216,282	405	1,146	8,821,592	2,833,301	11,654,893	40.79	No	2,472.34
Port Macquarie Hastings Council	URL	85,952	3,682	1,268	6,703,185	3,298,689	10,001,874	77.99	No	2,601.49
Port Stephens Council	URL	74,506	858	667	5,730,155	1,370,150	7,100,305	76.91	No	2,054.20
Queanbeyan-Palerang Regional Council	URM	62,239	5,319	1,419	3,866,368	2,765,868	6,632,236	62.12	No	1,949.17
Randwick City Council	UDV	156,619	36	277	3,439,837	1,071,683	4,511,520	21.96	Yes	3,868.89

Council name	Classification	Population Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Richmond Valley Council	URS	23,490	3,047	997	3,850,004	1,757,631	5,607,635	163.90	No	1,762.92
Shoalhaven City Council	URL	107,191	4,567	1,604	9,410,431	3,830,577	13,241,008	87.79	No	2,388.14
Silverton Village Committee Incorporated	RTX	50	0	0	36,903	0	36,903	738.06	No	0.00
Singleton Council	URS	23,380	4,893	809	2,731,647	1,470,975	4,202,622	116.84	No	1,818.26
Snowy Monaro Regional Council	URS	20,997	15,164	2,309	7,327,991	3,035,280	10,363,271	349.00	No	1,314.54
Snowy Valleys Council	RAV	14,412	8,959	1,026	4,754,239	1,535,596	6,289,835	329.88	No	1,496.68
Strathfield Municipal Council	UDM	47,767	14	86	1,072,327	333,476	1,405,803	22.45	No	3,877.63
Sutherland Shire Council	UDV	232,369	334	802	5,103,541	2,221,057	7,324,598	21.96	Yes	2,769.40
Tamworth Regional Council	URM	62,545	9,884	2,965	6,631,259	4,715,743	11,347,002	106.02	No	1,590.47
Temora Shire Council	RAL	6,274	2,802	1,241	2,607,291	1,461,778	4,069,069	415.57	No	1,177.90
Tenterfield Shire Council	RAL	6,470	7,323	1,449	3,580,206	1,835,981	5,416,187	553.35	No	1,267.07
The Council of Camden	UFL	107,806	201	699	2,520,713	1,761,913	4,282,626	23.38	No	2,520.62
The Council of the City of Sydney	UCC	248,736	27	300	5,463,010	1,534,492	6,997,502	21.96	Yes	5,114.97
The Hills Shire Council	UFV	183,791	386	897	4,036,635	2,235,511	6,272,146	21.96	Yes	2,492.21
Tibooburra Village Committee Incorporated	RTX	134	0	0	82,869	0	82,869	618.43	No	0.00
Tweed Shire Council	URL	98,382	1,308	1,109	8,221,851	3,238,409	11,460,260	83.57	No	2,920.12
Upper Hunter Shire Council	RAV	14,167	8,096	1,581	3,459,336	2,162,333	5,621,669	244.18	No	1,367.70
Upper Lachlan Shire Council	RAL	8,274	7,127	1,734	3,174,213	2,119,105	5,293,318	383.64	No	1,222.09
Uralla Shire Council	RAL	5,944	3,227	779	1,865,716	1,031,533	2,897,249	313.88	No	1,324.18
Wagga Wagga City Council	URM	65,770	4,819	2,116	7,436,922	3,602,246	11,039,168	113.07	No	1,702.38
Walcha Council	RAM	3,105	6,261	822	1,706,305	1,047,340	2,753,645	549.53	No	1,274.14
Walgett Shire Council	RAL	5,828	22,308	1,814	5,117,580	2,169,072	7,286,652	878.10	No	1,195.74
Warren Shire Council	RAM	2,716	10,754	964	2,147,583	1,153,172	3,300,755	790.72	No	1,196.24

Council name	Classification	Population Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Warrumbungle Shire Council	RAL	9,209	12,372	2,276	5,184,281	2,718,949	7,903,230	562.96	No	1,194.62
Waverley Council	UDL	74,276	9	113	1,631,330	478,365	2,109,695	21.96	Yes	4,233.32
Weddin Shire Council	RAM	3,596	3,415	957	2,020,597	1,122,300	3,142,897	561.90	No	1,172.73
Wentworth Shire Council	RAL	7,090	26,256	1,945	4,610,611	2,254,326	6,864,937	650.30	No	1,159.04
Willoughby City Council	UDL	81,196	22	199	1,783,314	646,399	2,429,713	21.96	Yes	3,248.24
Wingecarribee Shire Council	URM	51,760	2,689	1,080	3,409,514	2,137,423	5,546,937	65.80	No	1,979.10
Wollondilly Shire Council	UFM	54,005	2,555	741	2,531,361	1,502,897	4,034,258	46.87	No	2,028.20
Wollongong City Council	URV	219,798	684	984	17,066,615	2,683,967	19,750,582	77.65	No	2,727.61
Yass Valley Council	RAV	17,321	3,995	1,075	1,946,519	1,535,580	3,482,099	112.38	No	1,428.45

Notes: a – population estimates provided by the Local Government Grants Commission in each state and the Northern Territory.

* – Indigenous local governing body

Table 44 Distribution of 2021–22 actual entitlement to councils in Victoria

Council Name	Classification	Population Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Alpine Shire	RAV	13,442	4,788	685	2,981,214	1,177,335	4,158,549	221.78	No	1,718.74
Ararat Rural City Council	RAV	11,965	4,211	2,424	4,057,701	2,502,512	6,560,213	339.13	No	1,032.39
Ballarat City Council	URL	111,361	739	1,462	12,187,023	2,596,180	14,783,203	109.44	No	1,775.77
Banyule City Council	UDV	131,940	63	545	2,882,592	1,038,250	3,920,842	21.85	Yes	1,905.05
Bass Coast Shire Council	UFM	37,445	867	962	5,438,409	1,596,771	7,035,180	145.24	No	1,659.85
Baw Baw Shire Council	URM	54,969	4,028	2,024	7,294,914	3,064,463	10,359,377	132.71	No	1,514.06
Bayside City Council	UDL	107,541	37	356	2,349,528	562,571	2,912,099	21.85	Yes	1,580.26
Benalla Rural City Council	RAV	14,137	2,353	1,354	2,934,293	1,629,080	4,563,373	207.56	No	1,203.16
Borough of Queenscliffe	UFS	3,008	9	43	442,237	64,227	506,464	147.02	No	1,493.65
Brimbank City Council	UDV	208,247	123	894	12,736,952	1,905,396	14,642,348	61.16	No	2,131.32
Buloke Shire Council	RAL	6,101	8,000	0	4,390,187	2,741,095	7,131,282	719.58	No	0.00
Campaspe Shire Council	URM	37,675	4,519	4,005	8,483,280	4,441,603	12,924,883	225.17	No	1,109.01
Cardinia Shire Council	UFL	116,193	1,283	1,575	9,998,125	2,916,020	12,914,145	86.05	No	1,851.44
Casey City Council	UDV	364,600	409	1,800	19,525,023	2,991,120	22,516,143	53.55	No	1,661.73
Central Goldfields Shire Council	RAV	13,092	1,533	1,320	3,046,551	1,341,599	4,388,150	232.70	No	1,016.36
City of Boroondara	UDV	183,023	60	567	3,998,640	1,008,962	5,007,602	21.85	Yes	1,779.47
City of Darebin	UDV	166,430	54	514	3,636,120	976,754	4,612,874	21.85	Yes	1,900.30
City of Glen Eira	UDV	158,216	39	483	3,456,663	710,614	4,167,277	21.85	Yes	1,471.25
City of Greater Dandenong	UDV	168,362	130	691	10,669,679	1,709,189	12,378,868	63.37	No	2,473.50
City of Greater Geelong	URV	264,866	1,248	2,331	19,964,385	3,898,981	23,863,366	75.38	No	1,672.66
City of Knox	UDV	165,147	114	725	6,628,935	1,261,426	7,890,361	40.14	No	1,739.90
City of Maribyrnong	UDL	94,982	31	306	2,310,913	644,205	2,955,118	24.33	No	2,105.25
City of Port Phillip	UDL	116,476	21	215	2,544,738	468,367	3,013,105	21.85	Yes	2,178.45
City of Whittlesea	UFV	236,539	490	1,308	13,272,653	2,507,393	15,780,046	56.11	No	1,916.97
Colac Otway Shire	URS	21,662	3,438	1,632	4,584,027	2,890,372	7,474,399	211.62	No	1,771.06

Council Name	Classification	Population Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Corangamite Shire Council	RAV	15,929	4,408	2,369	4,888,844	3,853,691	8,742,535	306.91	No	1,626.72
East Gippsland Shire Council	URM	47,725	20,940	2,971	12,162,414	5,165,049	17,327,463	254.84	No	1,738.49
Frankston City Council	UDV	143,338	130	702	7,550,128	1,205,703	8,755,831	52.67	No	1,717.53
Gannawarra Shire Council	RAV	10,400	3,735	2,257	3,905,634	2,208,114	6,113,748	375.54	No	978.34
Glenelg Shire Council	RAV	19,621	6,219	2,629	5,500,749	3,803,729	9,304,478	280.35	No	1,446.83
Golden Plains Shire Council	UFS	24,249	2,703	1,729	4,217,297	2,330,573	6,547,870	173.92	No	1,347.93
Greater Bendigo City Council	URL	119,980	3,000	3,136	14,719,260	3,827,829	18,547,089	122.68	No	1,220.61
Greater Shepparton City Council	URM	67,070	2,422	2,527	10,873,966	3,421,537	14,295,503	162.13	No	1,353.99
Hepburn Shire Council	RAV	16,157	1,473	1,509	3,765,907	1,705,203	5,471,110	233.08	No	1,130.02
Hindmarsh Shire Council	RAL	5,592	7,524	3,025	3,231,976	1,754,995	4,986,971	577.96	No	580.16
Hobsons Bay City Council	UDL	98,189	64	431	2,145,208	833,162	2,978,370	21.85	Yes	1,933.09
Horsham Rural City Council	RAV	20,018	4,267	2,974	4,503,719	2,400,953	6,904,672	224.98	No	807.31
Hume City Council	UFV	241,188	504	1,398	14,898,823	2,965,399	17,864,222	61.77	No	2,121.17
Indigo Shire Council	RAV	16,885	2,040	1,570	3,458,691	1,821,587	5,280,278	204.84	No	1,160.25
Kingston City Council	UDV	167,293	91	602	3,654,975	1,160,868	4,815,843	21.85	Yes	1,928.35
Lalrobe City Council	URL	75,915	1,426	1,630	10,593,797	2,820,718	13,414,515	139.55	No	1,730.50
Loddon Shire Council	RAL	7,473	6,696	4,745	5,735,930	4,042,235	9,778,165	767.55	No	851.89
Macedon Ranges Shire Council	URM	50,971	1,748	1,641	5,888,658	2,453,244	8,341,902	115.53	No	1,494.97
Manningham City Council	UDV	128,929	113	607	2,816,808	911,857	3,728,665	21.85	Yes	1,502.24
Mansfield Shire Council	RAL	9,756	3,844	821	2,366,435	1,004,549	3,370,984	242.56	No	1,223.57
Maroonah City Council	UDL	119,401	61	474	4,236,028	857,115	5,093,143	35.48	No	1,808.26
Melbourne City Council (City of Melbourne)	UCC	183,756	37	243	4,014,655	790,999	4,805,654	21.85	Yes	3,255.14
Melton City Council	UFV	172,500	528	1,252	16,398,295	2,564,029	18,962,324	95.06	No	2,047.95
Mildura Rural City Council	URM	55,937	22,083	5,221	12,168,010	4,559,114	16,727,124	217.53	No	873.23
Mitchell Shire Council	URM	47,647	2,862	1,529	6,631,655	2,189,577	8,821,232	139.18	No	1,432.03

Council Name	Classification	Population Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Moira Shire Council	URS	30,018	4,046	3,651	7,791,264	4,285,506	12,076,770	259.55	No	1,173.79
Monash City Council	UDV	204,936	82	736	4,477,390	1,356,796	5,834,186	21.85	Yes	1,843.47
Moonee Valley City Council	UDV	131,753	43	411	2,878,506	796,173	3,674,679	21.85	Yes	1,937.16
Moorool Shire Council	URM	36,013	2,110	1,530	5,062,136	2,165,128	7,227,264	140.56	No	1,415.12
Moreland City Council	UDV	188,762	51	521	4,124,025	1,024,234	5,148,259	21.85	Yes	1,965.90
Mornington Peninsula Shire Council	UFV	168,862	724	1,707	3,702,348	2,721,825	6,424,173	21.93	No	1,594.51
Mount Alexander Shire Council	RAV	20,001	1,530	1,432	3,772,120	1,958,485	5,730,605	188.60	No	1,367.66
Murrindindi Shire Council	RAV	14,661	3,880	1,204	3,310,312	1,826,965	5,137,277	225.79	No	1,517.41
Nilumbik Shire Council	UFM	65,219	432	774	2,009,570	1,259,907	3,269,477	30.81	No	1,627.79
Northern Grampians Shire Council	RAV	11,403	5,730	3,372	5,219,041	3,191,189	8,410,230	457.69	No	946.38
Pyrenees Shire Council	RAL	7,555	3,435	2,036	3,668,645	2,346,668	6,015,313	485.59	No	1,152.59
Shire of Moyne	RAV	17,027	5,482	2,744	4,916,588	4,520,668	9,437,256	288.75	No	1,647.47
Shire of Strathbogie	RAV	10,992	3,303	2,204	3,572,596	2,409,526	5,982,122	325.02	No	1,093.25
Shire of Towong	RAL	6,102	6,675	1,183	3,287,950	1,963,212	5,251,162	538.83	No	1,659.52
South Gippsland Shire Council	URS	30,248	3,296	2,110	6,903,054	4,117,028	11,020,082	228.22	No	1,951.20
Southern Grampians Shire Council	RAV	16,134	6,654	3,665	4,939,346	3,371,573	8,310,919	306.15	No	919.94
Stonnington City Council	UDL	118,614	26	261	2,591,449	500,594	3,092,043	21.85	Yes	1,917.98
Surf Coast Shire	UFM	34,771	1,553	1,127	3,134,932	1,794,350	4,929,282	90.16	No	1,592.15
Swan Hill Rural City Council	URS	20,534	6,115	3,481	5,114,259	2,508,963	7,623,222	249.06	No	720.76
Wangaratta Rural City Council	URS	29,197	3,645	1,966	5,342,399	2,662,704	8,005,103	182.98	No	1,354.38
Warrnambool City Council	URM	35,533	121	340	3,751,790	710,118	4,461,908	105.59	No	2,088.58
Wellington Shire Council	URM	44,770	10,817	3,035	9,925,342	5,327,928	15,253,270	221.70	No	1,755.50
West Wimmera Shire Council	RAM	3,810	9,108	2,822	3,829,807	2,572,920	6,402,727	1,005.20	No	911.74
Whitehorse City Council	UDV	180,735	64	633	3,948,652	1,133,027	5,081,679	21.85	Yes	1,789.93

Council Name	Classification	Population Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Wodonga City Council	URM	42,662	433	511	5,047,988	867,036	5,915,024	118.33	No	1,696.74
Wyndham City Council	UFV	283,294	542	1,633	17,702,220	2,814,704	20,516,924	62.49	No	1,723.64
Yarra City Council	UDL	103,125	20	216	2,253,049	442,828	2,695,877	21.85	Yes	2,050.13
Yarra Ranges Shire Council	UFV	159,955	2,468	1,754	11,553,902	3,593,065	15,146,967	72.23	No	2,048.50
Yarriambiack Shire Council	RAL	6,588	7,323	4,820	3,712,949	2,276,879	5,989,828	563.59	No	472.38

Notes: a – population estimates provided by the Local Government Grants Commission in each state and the Northern Territory.

* – Indigenous local governing body

Table 45 Distribution of 2021–22 actual entitlement to councils in Queensland

Council Name	Classification	Population Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Aurukun Shire Council*	RTM	1,370	7,424	125	2,246,363	98,042	2,344,405	1,639.68	No	784.34
Balonne Shire Council	RAM	4,321	31,104	2,605	4,555,075	1,768,252	6,323,327	1,054.17	No	678.79
Banana Shire Council	RAV	14,065	28,550	3,863	4,810,686	2,709,059	7,519,745	342.03	No	701.28
Barcardine Regional Council	RTM	2,814	53,383	2,987	6,050,889	2,003,260	8,054,149	2,150.28	No	670.66
Barcoo Shire Council	RTX	263	61,830	1,652	3,047,045	1,093,254	4,140,299	11,585.72	No	661.78
Blackall-Tambo Regional Council	RTM	1,845	30,537	1,867	3,306,687	1,253,098	4,559,785	1,792.24	No	671.18
Boulia Shire Council	RTS	416	60,906	1,329	2,489,063	881,819	3,370,882	5,983.32	No	663.52
Brisbane City Council	UCC	1,272,999	1,343	5,778	28,270,558	18,258,147	46,528,705	22.21	Yes	3,159.94
Bulloo Shire Council	RTX	324	73,724	2,002	6,753,617	1,324,935	8,078,552	20,844.50	No	661.81
Bundaberg Regional Council	URL	96,364	6,431	3,068	6,008,760	3,118,237	9,126,997	62.35	No	1,016.37
Burdekin Shire Council	RAV	16,953	5,044	1,150	2,831,229	951,332	3,782,561	167.00	No	827.25
Burke Shire Council	RTX	354	39,684	713	2,889,643	474,575	3,364,218	8,162.83	No	665.60
Cairns Regional Council	URV	168,449	1,689	1,361	3,740,889	2,809,394	6,550,283	22.21	Yes	2,064.21
Carpentaria Shire Council	RTM	1,970	64,121	1,662	4,670,035	1,119,346	5,789,381	2,370.58	No	673.49
Cassowary Coast Regional Council	URS	29,964	4,688	1,230	3,056,933	1,151,766	4,208,699	102.02	No	936.40
Central Highlands Regional Council	URS	28,727	59,835	4,583	7,793,758	3,350,594	11,144,352	271.30	No	731.09
Charters Towers Regional Council	RAV	11,731	68,382	3,793	4,249,300	2,636,377	6,885,677	362.23	No	695.06
Cherbourg Aboriginal Shire Council*	RTM	1,335	32	71	989,632	62,006	1,051,638	741.30	No	873.32
Cloncurry Shire Council	RTL	3,004	47,971	1,551	4,992,306	1,057,699	6,050,005	1,661.89	No	681.95
Cook Shire Council	RTL	4,595	105,719	2,932	9,539,077	1,987,170	11,526,247	2,075.97	No	677.75
Croydon Shire Council	RTX	285	29,498	1,088	3,949,638	721,280	4,670,918	13,858.38	No	662.94

Council Name	Classification	Population Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Diamantina Shire Council	RTX	286	94,731	1,061	2,713,691	703,473	3,417,164	9,488.43	No	663.03
Doomadgee Aboriginal Shire Council*	RTM	1,534	1,828	113	1,721,635	91,983	1,813,618	1,122.32	No	814.01
Douglas Shire Council	RAV	12,426	2,428	443	1,309,056	433,365	1,742,421	105.35	No	978.25
Etheridge Shire Council	RTS	794	39,199	1,753	5,152,189	1,165,935	6,318,124	6,488.90	No	665.11
Flinders Shire Council	RTM	1,512	41,200	1,999	6,732,646	1,336,436	8,069,082	4,452.81	No	668.55
Fraser Coast Regional Council	URL	108,183	7,105	2,637	5,696,195	2,967,902	8,664,097	52.65	No	1,125.48
Gladstone Regional Council	URM	63,861	10,484	2,601	6,299,561	2,441,217	8,740,778	98.64	No	938.57
Gold Coast City Council	URV	635,191	1,334	3,219	14,106,219	9,332,016	23,438,235	22.21	Yes	2,899.04
Goondiwindi Regional Council	RAV	10,817	19,258	2,484	4,580,546	1,762,105	6,342,651	423.46	No	709.38
Gympie Regional Council	URM	52,935	6,884	2,301	3,929,934	2,119,249	6,049,183	74.24	No	921.01
Hinchinbrook Shire Council	RAV	10,645	2,807	693	1,602,061	578,148	2,180,209	150.50	No	834.27
Hope Vale Aboriginal Shire Council*	RTM	1,140	1,112	132	1,702,533	100,052	1,802,585	1,493.45	No	757.97
Ipswich City Council	URV	229,845	1,094	1,749	5,104,361	3,762,360	8,866,721	22.21	Yes	2,151.15
Isaac Regional Council	URS	20,987	58,708	3,254	3,587,572	2,385,682	5,973,254	170.94	No	733.15
Kowanyama Aboriginal Shire Council*	RTS	1,003	2,555	352	1,698,018	243,994	1,942,012	1,692.94	No	693.16
Livingstone Shire Council	UFM	38,617	11,758	1,503	3,199,509	1,430,388	4,629,897	82.85	No	951.69
Lockhart River Aboriginal Shire Council*	RTS	810	3,576	176	1,927,602	125,346	2,052,948	2,379.76	No	712.19
Lockyer Valley Regional Council	URM	42,267	2,269	1,476	3,590,368	1,453,723	5,044,091	84.94	No	984.91
Logan City Council	URV	341,985	958	2,531	7,594,749	5,550,709	13,145,458	22.21	Yes	2,193.09
Longreach Regional Council	RTL	3,407	40,572	2,748	6,595,400	1,852,255	8,447,655	1,935.84	No	674.04
Mackay Regional Council	URL	117,902	7,613	2,509	3,242,047	2,993,708	6,235,755	27.50	No	1,193.19
Mapoon Aboriginal Shire Council*	RTX	339	537	58	1,403,103	42,126	1,445,229	4,138.95	No	726.31

Council Name	Classification	Population Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Maranoa Regional Council	RAV	12,688	58,705	5,820	14,093,804	3,985,166	18,078,970	1,110.80	No	684.74
Mareeba Shire Council	URS	23,116	53,491	2,304	7,032,700	1,782,869	8,815,569	304.24	No	773.81
Mackinlay Shire Council	RTS	823	40,737	1,633	4,891,747	1,087,068	5,978,815	5,943.80	No	665.69
Moreton Bay Regional Council	URV	479,639	2,042	3,904	10,651,746	8,018,736	18,670,482	22.21	Yes	2,053.98
Morrington Shire Council*	RTM	1,231	1,248	158	2,569,001	1,18,243	2,687,244	2,086.92	No	748.37
Mount Isa City Council	RTL	18,578	43,713	2,033	5,859,946	1,552,524	7,412,470	315.42	No	763.66
Murweh Shire Council	RTL	4,220	40,700	2,782	5,762,698	1,883,920	7,646,618	1,365.57	No	677.18
Napranum Aboriginal Shire Council*	RTM	1,099	2,004	173	1,618,652	126,645	1,745,297	1,472.84	No	732.05
Noosa Shire Council	URM	56,587	870	875	1,256,675	1,219,572	2,476,247	22.21	Yes	1,393.80
North Burnett Regional Council	RAV	10,656	19,670	4,203	9,104,580	2,894,459	11,999,039	854.41	No	688.67
Northern Peninsula Area Regional Council*	RTL	3,224	1,052	363	4,660,690	276,152	4,936,842	1,445.62	No	760.75
Palm Island Aboriginal Shire Council*	RTM	2,684	72	43	2,070,710	58,834	2,129,544	771.50	No	1,368.23
Paroo Shire Council	RTM	1,554	47,613	2,358	4,544,066	1,573,842	6,117,908	2,924.11	No	667.45
Pornpuraaw Aboriginal Shire Council*	RTS	856	4,395	454	1,717,473	309,339	2,026,812	2,006.39	No	681.36
Quilpie Shire Council	RTS	774	67,415	2,082	4,106,025	1,382,839	5,488,864	5,304.94	No	664.19
Redland City Council	URV	160,331	537	1,218	3,560,605	2,623,134	6,183,739	22.21	Yes	2,153.64
Richmond Shire Council	RTS	813	26,581	1,297	3,046,504	865,206	3,911,710	3,747.24	No	667.08
Rockhampton Regional Council	URL	81,999	6,570	2,028	6,917,553	2,268,868	9,186,421	84.36	No	1,118.77
Scenic Rim Regional Council	UFM	43,625	4,243	1,819	2,016,236	1,695,502	3,711,738	46.22	No	932.11
Somerset Regional Council	UFS	26,279	5,373	1,863	2,294,561	1,527,714	3,822,275	87.32	No	820.03
South Burnett Regional Council	URM	32,632	8,382	2,995	4,890,383	2,346,887	7,237,270	149.86	No	783.60

Council Name	Classification	Population Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Southern Downs Regional Council	URM	35,407	7,108	3,097	4,274,275	2,445,691	6,719,966	120.72	No	789.70
Sunshine Coast Regional Council	URV	336,482	2,254	2,971	7,472,539	5,778,863	13,251,402	22.21	Yes	1,945.09
Tablelands Regional Council	URS	25,667	11,293	1,848	5,210,574	1,510,870	6,721,444	203.01	No	817.57
Toowoomba Regional Council	URV	170,356	12,957	6,647	8,458,686	6,319,862	14,778,548	49.65	No	950.78
Torres Shire Council	RTL	3,924	884	299	4,002,668	241,857	4,244,525	1,020.05	No	808.89
Torres Strait Island Regional Council*	RTL	5,178	490	278	12,301,256	242,227	12,543,483	2,375.68	No	871.32
Townsville City Council	URV	196,800	3,731	1,823	4,370,503	3,436,232	7,806,735	22.21	Yes	1,884.93
Western Downs Regional Council	URM	34,579	37,937	7,462	11,718,366	5,317,063	17,035,429	338.89	No	712.55
Whitsunday Regional Council	URM	35,927	23,819	1,780	4,629,926	1,582,677	6,212,603	128.87	No	889.14
Winton Shire Council	RTM	1,135	53,809	2,488	4,454,082	1,654,883	6,108,965	3,924.30	No	665.15
Woorabinda Aboriginal Shire Council*	RTM	995	391	56	950,574	48,428	999,002	955.35	No	864.79
Wujal Wujal Aboriginal Shire Council*	RTX	316	12	18	936,037	15,466	951,503	2,962.14	No	859.22
Yarrabah Aboriginal Shire Council*	RTM	2,933	159	59	1,667,978	72,220	1,740,198	568.69	No	1,224.07

Notes: a – population estimates provided by the Local Government Grants Commission in each state and the Northern Territory.

* – Indigenous local governing body

Table 46 Distribution of 2021–22 actual entitlement to councils in Western Australia

Council Name	Classification	Population Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
City of Albany ^{sw}	URM	38,296	4,311	1,597	2,996,025	2,231,406	5,227,431	78.23	No	1,397.25
City of Armadale ^{sw}	UFM	93,928	560	762	2,201,485	1,876,344	4,077,829	23.44	No	2,462.39
City of Bayswater	UDM	69,038	35	350	1,578,884	882,061	2,460,945	22.87	Yes	2,520.17
City of Belmont	UDM	42,806	40	228	978,963	609,627	1,588,590	22.87	Yes	2,673.80
City of Bunbury	URM	31,683	65	321	724,583	964,264	1,688,847	22.87	Yes	3,003.94
City of Busselton ^{sw}	URM	40,333	1,454	1,095	922,406	1,898,029	2,820,435	22.87	Yes	1,733.36
City of Canning ^{sw}	UDL	94,130	65	578	2,152,732	1,586,068	3,738,800	22.87	Yes	2,744.06
City of Cockburn	UDL	117,352	168	859	2,683,814	1,983,943	4,667,757	22.87	Yes	2,309.60
City of Fremantle	UDM	31,517	19	176	720,787	446,608	1,167,395	22.87	Yes	2,537.55
City of Gosnells	UDV	125,919	127	785	2,879,740	1,859,596	4,739,336	22.87	Yes	2,368.91
City of Greater Geraldton	URM	38,231	9,909	2,078	4,191,263	2,233,316	6,424,579	109.63	No	1,074.74
City of Joondalup	UDV	160,718	99	1,029	3,675,585	2,454,821	6,130,406	22.87	Yes	2,385.64
City of Kalamunda	UFM	59,328	324	620	1,356,818	1,282,910	2,639,728	22.87	Yes	2,069.21
City of Kalgoorlie-Boulder ^{sw}	URM	29,055	95,498	1,372	1,588,215	1,947,507	3,535,722	54.66	No	1,419.47
City of Karratha	URS	23,118	15,237	648	883,448	1,197,789	2,081,237	38.21	No	1,848.44
City of Kwinana	UFM	46,787	120	425	1,070,009	871,565	1,941,574	22.87	Yes	2,050.74
City of Mandurah	UFL	88,080	175	696	2,014,370	1,465,302	3,479,672	22.87	Yes	2,105.32
City of Melville	UDL	103,581	53	527	2,368,875	1,223,090	3,591,965	22.87	Yes	2,320.85
City of Nedlands	UDS	22,901	20	136	523,741	323,771	847,512	22.87	Yes	2,380.67
City of Perth	UCC	30,971	14	106	708,300	502,634	1,210,934	22.87	Yes	4,741.83
City of Rockingham	UFV	138,581	258	1,092	3,169,316	2,335,941	5,505,257	22.87	Yes	2,139.14
City of South Perth	UDM	44,098	20	191	1,008,511	448,159	1,456,670	22.87	Yes	2,346.38
City of Stirling	UDV	223,743	105	1,029	5,116,953	2,394,811	7,511,764	22.87	Yes	2,327.32
City of Subiaco	UDS	17,448	6	78	399,032	212,831	611,863	22.87	Yes	2,728.60

Council Name	Classification	Population Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
City of Swan ^{sw}	UFV	152,372	1,043	1,512	3,484,713	4,574,041	8,058,754	22.87	Yes	3,025.16
City of Vincent	UDS	37,280	11	146	852,586	404,801	1,257,387	22.87	Yes	2,772.61
City of Wanneroo	UFV	212,768	683	1,490	4,865,956	3,310,575	8,176,531	22.87	Yes	2,221.86
Shire of Ashburton	RTL	13,331	100,818	1,663	2,592,093	1,209,253	3,801,346	194.44	No	727.15
Shire of Augusta Margaret River	RSG	16,701	2,122	907	542,353	1,131,327	1,673,680	32.47	No	1,247.33
Shire of Beverley ^{sw}	RAS	1,768	2,371	697	835,516	672,801	1,508,317	472.58	No	965.28
Shire of Boddington ^{sw}	RAS	1,765	1,905	265	87,663	633,050	720,713	49.67	No	2,388.87
Shire of Boyup Brook	RAS	1,771	2,827	1,020	898,425	746,570	1,644,995	507.30	No	731.93
Shire of Bridgetown Greenbushes ^{sw}	RAM	4,756	1,337	686	1,203,795	980,473	2,184,268	253.11	No	1,429.26
Shire of Brookton	RAS	959	1,601	537	799,538	390,429	1,189,967	833.72	No	727.06
Shire of Broome	RTL	16,994	54,402	369	1,904,361	734,561	2,638,922	112.06	No	1,990.68
Shire of Broomehill-Tambellup	RAS	1,088	2,610	972	1,191,654	716,555	1,908,209	1,095.27	No	737.20
Shire of Bruce Rock ^{sw}	RAS	949	2,725	1,173	1,745,078	1,035,610	2,780,688	1,838.86	No	882.87
Shire of Capel ^{sw}	URS	18,407	558	502	1,520,971	964,310	2,485,281	82.63	No	1,920.94
Shire of Carnamah	RAS	527	2,871	671	1,033,619	524,330	1,557,949	1,961.33	No	781.42
Shire of Carnarvon	RAL	5,077	46,575	1,515	3,844,447	1,432,806	5,277,253	757.23	No	945.75
Shire of Chapman Valley	RAS	1,540	3,981	866	550,684	587,553	1,138,237	357.59	No	678.47
Shire of Chittering	RAL	6,021	1,220	440	1,028,867	512,142	1,541,009	170.88	No	1,163.96
Shire of Collie	RAL	8,601	1,710	389	1,271,140	544,484	1,815,624	147.79	No	1,399.70
Shire of Coalgardie	RTL	3,348	30,298	847	595,040	567,827	1,162,867	177.73	No	670.40
Shire of Coorow ^{sw}	RAS	961	4,190	856	1,483,481	634,051	2,117,532	1,543.68	No	740.71
Shire of Corrigin	RAS	1,132	2,681	1,059	1,338,350	754,526	2,092,876	1,182.29	No	712.49
Shire of Cranbrook	RAS	1,044	3,276	1,014	978,988	713,508	1,692,496	937.73	No	703.66
Shire of Cuballing	RAS	853	1,195	555	574,833	372,464	947,297	673.90	No	671.11
Shire of Cue	RTX	140	13,582	730	1,612,077	552,087	2,164,164	11,514.84	No	756.28

Council Name	Classification	Population Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Shire of Cunderdin	RAS	1,408	1,862	783	969,547	570,733	1,540,280	688.60	No	728.91
Shire of Dalwallinu	RAS	1,397	7,224	1,912	1,973,452	1,279,439	3,252,891	1,412.64	No	669.16
Shire of Dandaragan	RAM	3,315	6,712	1,295	816,079	1,121,279	1,937,358	246.18	No	865.85
Shire of Dardanup ^{sw}	RAV	14,553	526	421	975,351	1,219,194	2,194,545	67.02	No	2,895.95
Shire of Denmark	RAL	6,370	1,860	624	592,849	537,158	1,130,007	93.07	No	860.83
Shire of Derby West Kimberley ^{sw}	RTL	8,211	119,731	1,740	4,701,585	1,636,739	6,338,324	572.60	No	940.65
Shire of Donnybrook Balingup ^{sw}	RAL	6,157	1,560	669	1,392,607	818,457	2,211,064	226.18	No	1,223.40
Shire of Dowerin	RAS	668	1,863	932	967,582	610,876	1,578,458	1,448.48	No	655.45
Shire of Dumbleyung	RAS	674	2,539	993	1,190,846	689,115	1,879,961	1,766.83	No	693.97
Shire of Dundas	RTS	711	92,885	633	1,097,408	432,772	1,530,180	1,543.47	No	683.68
Shire of East Pilbara ^{sw}	RTL	10,921	372,308	3,110	2,441,088	2,871,558	5,312,646	223.52	No	923.33
Shire of Esperance	RAV	14,178	44,798	4,276	3,290,049	3,325,855	6,615,904	232.05	No	777.80
Shire of Exmouth	RTM	2,935	6,488	236	1,466,029	457,596	1,923,625	499.50	No	1,938.97
Shire of Gingin	RAL	5,353	3,208	875	968,892	967,873	1,936,765	181.00	No	1,106.14
Shire of Gnowangerup	RAS	1,200	4,265	1,027	983,535	721,928	1,705,463	819.61	No	702.95
Shire of Goomalling ^{sw}	RAS	991	1,835	581	505,736	562,268	1,068,004	510.33	No	967.76
Shire of Halls Creek ^{sw}	RTL	3,495	133,061	1,420	3,527,504	1,183,623	4,711,127	1,009.30	No	833.54
Shire of Harvey	URS	28,299	1,728	853	2,402,105	1,106,677	3,508,782	84.88	No	1,297.39
Shire of Irwin	RAM	3,594	2,369	445	343,505	370,634	714,139	95.58	No	832.89
Shire of Jerramungup	RAS	1,130	6,509	1,057	813,050	696,534	1,509,584	719.51	No	658.97
Shire of Katanning	RAM	4,046	1,518	692	1,692,163	558,367	2,250,530	418.23	No	806.89
Shire of Kellerberrin	RAS	1,185	1,915	945	1,617,542	644,895	2,262,437	1,365.01	No	682.43
Shire of Kent	RAS	559	5,625	1,324	1,267,074	813,723	2,080,797	2,266.68	No	614.59
Shire of Kojoonup	RAS	1,912	2,931	1,112	886,430	754,768	1,641,198	463.61	No	678.75
Shire of Kondinin	RAS	872	7,441	1,337	1,620,996	880,554	2,501,550	1,858.94	No	658.60

Council Name	Classification	Population Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Shire of Koorda	RAS	402	2,832	1,067	1,349,309	712,636	2,061,945	3,356.49	No	667.89
Shire of Kulin	RAS	775	4,719	1,432	1,466,564	968,989	2,435,553	1,892.34	No	676.67
Shire of Lake Grace	RAS	1,286	11,886	2,281	1,772,998	1,436,761	3,209,759	1,378.69	No	629.88
Shire of Laverton ^{sw}	RTM	1,215	179,985	4,191	1,645,632	1,122,249	2,767,881	1,354.43	No	267.78
Shire of Leonora	RTM	1,548	31,915	1,226	570,393	713,706	1,284,099	368.47	No	582.14
Shire of Manjimup ^{sw}	RAL	9,118	7,030	1,308	3,026,048	1,965,878	4,991,926	331.88	No	1,502.96
Shire of Meekatharra	RTM	969	100,189	2,423	2,558,618	1,361,850	3,920,468	2,640.47	No	562.05
Shire of Menzies ^{sw}	RTS	525	124,111	1,621	1,697,796	973,926	2,671,722	3,233.90	No	600.82
Shire of Merredin	RAM	3,370	3,294	1,291	1,686,304	930,416	2,616,720	500.39	No	720.69
Shire of Mingenew	RAS	418	1,935	451	379,859	364,374	744,233	908.75	No	807.92
Shire of Moora	RAM	2,389	3,763	935	1,047,857	815,762	1,863,619	438.62	No	872.47
Shire of Morawa	RAS	661	3,511	971	1,230,707	640,454	1,871,161	1,861.89	No	659.58
Shire of Mount Magnet	RTS	449	13,858	579	1,617,341	360,407	1,977,748	3,602.10	No	622.46
Shire of Mount Marshall	RAS	512	10,185	1,676	1,727,717	971,276	2,698,993	3,374.45	No	579.52
Shire of Mukinbudin	RAS	524	3,427	905	1,157,488	599,647	1,757,135	2,208.95	No	662.59
Shire of Mundaring	UFM	39,111	643	671	1,453,029	1,156,335	2,609,364	37.15	No	1,723.30
Shire of Murchison	RTX	162	45,046	1,647	3,141,445	980,145	4,121,590	19,391.64	No	595.11
Shire of Murray	RAV	18,207	1,704	706	992,150	957,121	1,949,271	54.49	No	1,355.70
Shire of Nannup	RAS	1,422	3,054	490	903,618	534,531	1,438,149	635.46	No	1,090.88
Shire of Narembeen	RAS	850	3,809	1,410	1,369,666	902,640	2,272,306	1,611.37	No	640.17
Shire of Narrogin ^{sw}	RAL	4,939	1,631	800	1,719,701	1,049,363	2,769,064	348.19	No	1,311.70
Shire of Ngaanyatjaraku ^{sw}	RTM	1,768	159,822	1,332	3,285,127	1,640,928	4,926,055	1,858.10	No	1,231.93
Shire of Northam	RAV	11,013	1,431	764	2,617,411	896,198	3,513,609	237.67	No	1,173.03
Shire of Northampton	RAM	2,876	12,544	1,073	1,340,073	801,341	2,141,414	465.95	No	746.82
Shire of Nungarin	RAS	246	1,166	509	1,034,259	349,363	1,383,622	4,204.30	No	686.37
Shire of Peppermint Grove	UDS	1,759	1	9	40,228	22,354	62,582	22.87	Yes	2,483.78

Council Name	Classification	Population Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Shire of Perenjori	RAS	567	8,301	1,472	1,457,237	990,923	2,448,160	2,570.08	No	673.18
Shire of Pingelly ^{sw}	RAS	1,150	1,295	569	1,008,645	546,294	1,554,939	877.08	No	960.09
Shire of Plantagenet	RAL	5,276	4,877	1,320	1,233,741	992,480	2,226,221	233.84	No	751.88
Shire of Quairading	RAS	988	2,017	863	1,329,678	633,711	1,963,389	1,345.83	No	734.31
Shire of Ravensthorpe ^{sw}	RAS	1,566	9,842	1,218	1,299,925	1,028,565	2,328,490	830.09	No	844.47
Shire of Sandstone	RTX	78	32,605	914	1,682,749	505,261	2,188,010	21,573.71	No	552.80
Shire of Serpentine Jarrahdale	UFS	33,920	901	740	1,622,747	1,150,904	2,773,651	47.84	No	1,555.28
Shire of Shark Bay	RTS	960	24,201	585	1,512,187	526,059	2,038,246	1,575.19	No	899.25
Shire of Tammin	RAS	393	1,102	495	808,324	323,229	1,131,553	2,056.80	No	652.99
Shire of Three Springs ^{sw}	RAS	561	2,657	693	880,990	556,083	1,437,073	1,570.39	No	802.43
Shire of Toodyay	RAM	4,461	1,692	635	969,257	629,953	1,599,210	217.27	No	992.05
Shire of Trayning	RAS	347	1,651	752	1,372,583	514,711	1,887,294	3,955.57	No	684.46
Shire of Upper Gascoyne	RTX	290	57,810	1,881	3,153,857	1,064,136	4,217,993	10,875.37	No	565.73
Shire of Victoria Plains	RAS	917	2,551	807	667,325	596,814	1,264,139	727.73	No	739.55
Shire of Wagin	RAS	1,776	1,946	783	1,010,600	550,611	1,561,211	569.03	No	703.21
Shire of Wandering	RAS	424	1,904	355	335,889	259,465	595,354	792.19	No	730.89
Shire of Waroona	RAM	4,267	832	340	980,109	438,995	1,419,104	229.70	No	1,291.16
Shire of West Arthur	RAS	782	2,832	855	632,127	573,757	1,205,884	808.35	No	671.06
Shire of Westonia	RAS	305	3,319	880	1,011,996	573,259	1,585,255	3,318.02	No	651.43
Shire of Wickiepin	RAS	727	2,041	868	1,119,352	579,559	1,698,911	1,539.69	No	667.69
Shire of Williams	RAS	1,015	2,305	473	301,512	361,813	663,325	297.06	No	764.93
Shire of Wiluna ^{sw}	RTS	684	181,297	1,909	2,036,112	1,005,713	3,041,825	2,976.77	No	526.83
Shire of Wongan-Ballidu	RAS	1,288	3,365	1,320	1,470,994	898,263	2,369,257	1,142.08	No	680.50
Shire of Woodanilling	RAS	430	1,129	522	533,104	347,686	880,790	1,239.78	No	666.07
Shire of Wyalkatchem	RAS	492	1,595	724	1,263,585	502,761	1,766,346	2,568.26	No	694.42
Shire of Wyndham East Kimberley ^{sw}	RTL	7,354	112,066	858	2,836,445	1,498,235	4,334,680	385.70	No	1,746.19

Council Name	Classification	Population Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Shire of Yalgoo	RTX	351	27,950	1,133	1,859,273	653,311	2,512,584	5,297.07	No	576.62
Shire of Yilgarn	RAS	1,151	30,429	2,743	2,226,570	1,583,794	3,810,364	1,934.47	No	577.39
Shire of York	RAM	3,623	2,132	667	902,526	691,346	1,593,872	249.11	No	1,036.50
Town of Bassendean	UDS	15,971	10	97	365,254	236,244	601,498	22.87	Yes	2,435.51
Town of Cambridge	UDS	29,332	22	193	670,816	460,520	1,131,336	22.87	Yes	2,386.11
Town of Claremont	UDS	11,014	5	48	251,888	116,539	368,427	22.87	Yes	2,427.90
Town of Cottesloe	UDS	8,386	4	43	191,786	101,437	293,223	22.87	Yes	2,359.00
Town of East Fremantle	UDS	7,908	3	37	180,854	81,554	262,408	22.87	Yes	2,204.16
Town of Mosman Park	UDS	9,109	4	43	208,321	93,052	301,373	22.87	Yes	2,164.00
Town of Port Hedland	RTL	15,471	18,410	459	713,253	838,592	1,551,845	46.10	No	1,827.00
Town of Victoria Park	UDM	37,784	18	166	864,112	411,500	1,275,612	22.87	Yes	2,478.92

Notes: a – population estimates provided by the Local Government Grants Commission in each state and the Northern Territory.

* – Indigenous local governing body

sw – special works included in local roads totals

Table 47 Distribution of 2021–22 actual entitlement to councils in South Australia

Council Name	Classification	Population Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Adelaide Hills Council	UFM	40,162	794	1,016	910,066	801,601	1,711,667	22.66	Yes	788.98
Adelaide Plains Council	RAL	9,441	1,048	972	1,316,111	308,566	1,624,677	139.40	No	317.45
Alexandrina Council	UFS	27,876	1,828	1,386	1,246,527	702,366	1,948,893	44.72	No	506.76
Anangu Pitjantjatjara Inc*	RTM	2,590	0	3,185	1,347,721	175,112	1,522,833	520.36	No	54.98
Barunga West Council	RAM	2,550	1,721	927	291,191	231,447	522,638	114.19	No	249.67
Berri Barmera Council	RAV	10,836	509	466	2,507,278	246,025	2,753,303	231.38	No	527.95
City of Burnside	UDM	46,127	27	239	1,045,233	556,320	1,601,553	22.66	Yes	2,327.70
City of Charles Sturt	UDL	120,733	56	586	2,735,796	1,413,974	4,149,770	22.66	Yes	2,412.92
City of Holdfast Bay	UDM	37,784	14	171	856,181	429,296	1,285,477	22.66	Yes	2,510.50
City of Mitcham	UDM	67,907	76	407	1,538,764	878,200	2,416,964	22.66	Yes	2,157.74
City of Mount Gambier	URS	27,433	34	228	3,366,331	463,271	3,829,602	122.71	No	2,031.89
City of Onkaparinga	UFV	174,575	520	1,518	6,530,008	2,769,337	9,299,345	37.41	No	1,824.33
City of Playford ^{sw}	UFL	96,547	358	846	11,296,505	1,927,893	13,224,398	117.01	No	2,278.83
City of Port Adelaide Enfield	UDV	129,530	94	694	2,935,135	1,588,320	4,523,455	22.66	Yes	2,288.65
City of Port Lincoln	URS	14,750	32	160	1,558,650	254,350	1,813,000	105.67	No	1,589.69
City of Prospect	UDS	21,827	8	87	494,598	235,243	729,841	22.66	Yes	2,703.94
City of Salisbury	UDV	144,872	167	831	7,245,143	1,836,106	9,081,249	50.01	No	2,209.51
Corporation of the City of Tea Tree Gully	UDL	100,862	95	594	2,285,521	1,288,815	3,574,336	22.66	Yes	2,169.72
City of Victor Harbor	URS	15,724	386	396	358,307	317,267	675,574	22.79	No	801.18
City of West Torrens	UDM	61,735	37	290	1,398,908	712,763	2,111,671	22.66	Yes	2,457.80
Clare & Gilbert Valleys Council	RAL	9,470	1,892	1,835	1,002,504	454,043	1,456,547	105.86	No	247.43
Coorong District Council	RAL	5,415	8,866	1,891	2,363,958	764,080	3,128,038	436.56	No	404.06
Copper Coast Council ^{sw}	RAV	15,128	795	910	1,924,106	651,249	2,575,355	127.19	No	715.66

Council Name	Classification	Population Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Corporation of the City of Campbelltown	UDM	53,082	24	255	1,202,832	618,975	1,821,807	22.66	Yes	2,427.35
Corporation of the City of Marion ^{sw}	UDL	94,879	56	475	2,149,948	1,255,844	3,405,792	22.66	Yes	2,643.88
Corporation of the City of Norwood Payneham & St Peters	UDM	37,462	15	160	848,884	415,524	1,264,408	22.66	Yes	2,597.03
Corporation of the City of Port Augusta	URS	13,697	1,282	411	2,917,666	319,842	3,237,508	213.01	No	778.20
Corporation of the City of Unley	UDM	39,416	14	163	893,162	431,115	1,324,277	22.66	Yes	2,644.88
Corporation of the City of Whyalla	URS	21,506	1,117	283	4,500,164	429,750	4,929,914	209.25	No	1,518.55
Corporation of the Town of Walkerville	UDS	8,094	4	35	183,409	90,371	273,780	22.66	Yes	2,582.03
District Council of Ceduna	RAM	3,423	5,490	1,715	2,072,696	511,346	2,584,042	605.52	No	298.16
District Council of Cleve	RAS	1,780	5,019	1,549	1,115,954	459,033	1,574,987	626.94	No	296.34
District Council of Coober Pedy	URS	1,820	78	437	870,541	55,421	925,962	478.32	No	126.82
District Council of Elliston	RAS	1,011	6,713	1,154	762,220	476,746	1,238,966	753.93	No	413.12
District Council of Franklin Harbour	RAS	1,304	2,793	787	1,057,963	254,221	1,312,184	811.32	No	323.03
District Council of Grant ^{sw}	RAL	8,619	1,903	1,568	1,700,885	532,918	2,233,803	197.34	No	339.87
District Council of Karoonda East Murray	RAS	1,101	4,419	1,299	1,257,702	395,331	1,653,033	1,142.33	No	304.33
District Council of Kimba	RAS	1,056	3,984	1,716	1,046,824	351,318	1,398,142	991.31	No	204.73
District Council of Lower Eyre Peninsula ^{sw}	RAL	5,814	4,776	1,345	571,004	2,465,539	3,036,543	98.21	No	1,833.11
District Council of Loxton Waikerie	RAV	11,737	7,990	2,306	3,743,494	848,698	4,592,192	318.95	No	368.04

Council Name	Classification	Population Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
District Council of Mount Remarkable	RAM	2,913	3,509	2,069	1,708,719	428,777	2,137,496	586.58	No	207.24
District Council of Ororo Carrieton	RAS	844	3,322	1,628	1,010,039	296,305	1,306,344	1,196.73	No	182.01
District Council of Peterborough	RAS	1,668	3,020	1,231	1,356,381	283,397	1,639,778	813.18	No	230.22
District Council of Robe	RAS	1,472	1,093	435	33,355	125,651	159,006	22.66	Yes	288.85
District Council of Streaky Bay	RAM	2,204	6,319	1,736	1,528,346	540,326	2,068,672	693.44	No	311.25
District Council of Tumby Bay	RAM	2,733	2,678	1,079	482,160	300,918	783,078	176.42	No	278.89
District Council of Yankalilla	RSG	5,679	754	544	207,413	190,368	397,781	36.52	No	349.94
Gerard Community Council Aboriginal Corporation*	RTX	225	0	0	52,599	23,330	75,929	233.77	No	0.00
Kangaroo Island Council ^{sw}	RAM	5,021	4,423	1,400	1,944,597	1,568,561	3,513,158	387.29	No	1,120.40
Kingston District Council ^{sw}	RAM	2,380	3,343	769	438,066	444,095	882,161	184.06	No	577.50
Light Regional Council ^{sw}	RAV	15,501	1,277	1,455	679,645	531,316	1,210,961	43.85	No	365.17
Maralinga Tjarutja*	RTX	64	0	0	106,893	62,650	169,543	1,670.20	No	0.00
Mid Murray Council	RAL	9,143	6,271	3,404	3,493,567	764,621	4,258,188	382.10	No	224.62
District Council of Mount Barker	URM	37,744	595	798	872,950	722,798	1,595,748	23.13	No	905.76
Municipal Council of Roxby Downs	URS	3,948	111	39	231,552	72,601	304,153	58.65	No	1,861.56
Naracoorte Lucindale Council	RAL	8,574	4,519	1,618	2,864,569	560,686	3,425,255	334.10	No	346.53
Nipapanha Community Aboriginal Corporation*	RTX	85	0	0	33,740	23,229	56,969	396.94	No	0.00
Northern Areas Council	RAM	4,625	2,987	2,204	1,476,000	467,846	1,943,846	319.14	No	212.27
Outback Communities Authority	RTM	2,888	0	0	1,703,249	0	1,703,249	589.77	No	0.00
Port Pirie Regional Council	RAV	17,576	1,963	1,367	4,298,264	543,879	4,842,143	244.55	No	397.86
Regional Council of Goyder	RAM	4,170	6,715	3,010	2,503,377	713,054	3,216,431	600.33	No	236.90

Council Name	Classification	Population Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Renmark Paringa Council ^{sw}	RAL	9,926	903	478	2,641,969	2,287,103	4,929,072	266.17	No	4,784.73
Rural City of Murray Bridge	URS	22,847	1,828	978	3,664,252	572,767	4,237,019	160.38	No	585.65
Southern Mallee District Council	RAM	2,089	5,710	1,332	1,192,326	466,231	1,658,557	570.76	No	350.02
Tatiara District Council ^{sw}	RAL	6,827	6,522	1,916	3,152,714	892,981	4,045,695	461.80	No	466.07
The Barossa Council ^{sw}	UFS	25,245	894	983	1,152,174	809,039	1,961,213	45.64	No	823.03
The Corporation of the City of Adelaide	UCC	26,177	15	120	593,168	298,911	892,079	22.66	Yes	2,490.93
The Flinders Ranges Council	RAS	1,688	4,127	1,262	1,242,990	348,559	1,591,549	736.37	No	276.20
Town of Gawler	UFS	24,718	41	204	1,656,357	378,858	2,035,215	67.01	No	1,857.15
Wakefield Regional Council	RAL	6,773	3,522	2,686	2,029,524	614,201	2,643,725	299.65	No	228.67
Wattle Range Council	RAV	12,060	3,930	2,442	3,139,232	626,753	3,765,985	260.30	No	256.66
Wudinna District Council	RAS	1,307	5,394	1,686	1,302,929	461,315	1,764,244	996.89	No	273.62
Yalata Anangu Aboriginal Corporation*	RTX	255	0	64	189,318	50,442	239,760	742.42	No	788.16
Yorke Peninsula Council	RAV	11,331	6,011	3,900	1,270,294	944,741	2,215,035	112.11	No	242.24

Notes: a – population estimates provided by the Local Government Grants Commission in each state and the Northern Territory.

* – Indigenous local governing body

sw – special works included in local roads totals

Table 48 Distribution of 2021–22 actual entitlement to councils in Tasmania

Council Name	Classification	Population Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Break O'Day Council	RAL	6,344	3,521	551	1,457,361	1,757,342	3,214,703	229.72	No	3,189.37
Brighton Council	UFS	18,109	171	189	1,552,845	680,139	2,232,984	85.75	No	3,598.62
Burnie City Council	URS	19,692	610	349	1,402,419	1,343,813	2,746,232	71.22	No	3,850.47
Central Coast Council	URS	22,151	931	678	2,552,262	2,180,832	4,733,094	115.22	No	3,216.57
Central Highlands Council	RAM	2,165	7,976	739	1,118,227	1,619,080	2,737,307	516.50	No	2,190.91
Circular Head Council	RAL	8,148	4,891	766	1,398,583	2,219,665	3,618,248	171.65	No	2,897.73
Clarence City Council	UFM	58,698	377	483	1,383,190	1,877,715	3,260,905	23.56	Yes	3,887.61
Derwent Valley Council	RAV	10,515	4,103	333	1,575,579	958,664	2,534,243	149.84	No	2,878.87
Devonport City Council	URS	25,737	111	272	1,354,235	1,305,520	2,659,755	52.62	No	4,799.71
Dorset Council	RAL	6,684	3,223	685	1,675,175	2,067,079	3,742,254	250.62	No	3,017.63
Flinders Council	RAS	1,004	1,994	346	814,358	832,760	1,647,118	811.11	No	2,406.82
George Town Council	RAL	7,115	653	274	1,312,549	940,405	2,252,954	184.48	No	3,432.14
Glamorgan Spring Bay Council	RAM	4,750	2,587	379	204,090	1,121,318	1,325,408	42.97	No	2,958.62
Glenorchy City Council	UFM	47,936	121	320	1,129,629	1,582,772	2,712,401	23.57	No	4,946.16
Hobart City Council	UCC	55,222	78	302	1,301,253	1,729,438	3,030,691	23.56	Yes	5,726.62
Huon Valley Council	RAV	17,958	5,497	709	2,220,839	1,819,805	4,040,644	123.67	No	2,566.72
Kentish Council	RAL	6,391	1,155	471	1,663,432	1,311,177	2,974,609	260.28	No	2,783.82
King Island Council	RAS	1,611	1,094	471	960,312	1,210,106	2,170,418	596.10	No	2,569.23
Kingborough Council	UFM	38,611	719	549	909,770	1,691,795	2,601,565	23.56	Yes	3,081.59
Lattrobe Council	RAV	11,958	600	288	1,062,969	862,850	1,925,819	88.89	No	2,996.01
Launceston City Council	URM	68,778	1,411	745	1,620,690	3,163,576	4,784,266	23.56	Yes	4,246.41
Meander Valley Council	RAV	20,029	3,320	824	2,321,023	2,389,724	4,710,747	115.88	No	2,900.15
Northern Midlands Council	RAV	13,593	5,126	960	1,306,433	2,639,826	3,946,259	96.11	No	2,749.82
Sorell Council	RAV	16,022	583	340	1,479,010	1,079,960	2,558,970	92.31	No	3,176.35

Council Name	Classification	Population Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Southern Midlands Council	RAL	6,397	2,611	814	2,061,971	1,821,086	3,883,057	322.33	No	2,237.21
Tasman Council	RAM	2,478	659	204	543,500	609,564	1,153,064	219.33	No	2,988.06
Waratah/Wynyard Council	RAV	13,895	3,526	539	1,992,052	1,583,465	3,575,517	143.36	No	2,937.78
West Coast Council	RAM	4,130	9,574	191	1,594,679	823,235	2,417,914	386.12	No	4,310.13
West Tamar Council	UFS	24,415	690	471	2,486,555	1,455,522	3,942,077	101.85	No	3,090.28

Notes: a – population estimates provided by the Local Government Grants Commission in each state and the Northern Territory.

* – Indigenous local governing body

Table 49 Distribution of 2021–22 actual entitlement to councils in the Northern Territory

Council Name	Classification	Population Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Alice Springs Town Council	URS	26,476	327	248	709,671	1,051,311	1,760,982	26.80	No	4,239.16
Barkly Regional Council*	RTL	7,457	322,693	444	1,898,704	493,839	2,392,543	254.62	No	1,112.25
Belyuen Community Government Council*	RTX	175	42	84	24,260	36,020	60,280	138.63	No	428.81
Central Desert Regional Council*	RTL	4,249	282,090	1,769	1,091,032	1,236,445	2,327,477	256.77	No	698.95
City of Darwin	UCC	80,937	142	554	1,905,444	2,113,087	4,018,531	23.25	Yes	3,814.24
City of Palmerston	URM	39,625	56	329	946,204	1,114,116	2,060,320	23.88	No	3,386.37
Coomalie Community Government Council	RTM	1,355	1,512	202	31,489	563,430	594,919	23.25	Yes	2,789.26
East Arnhem Regional Council*	RTL	10,376	33,302	973	3,620,781	1,376,625	4,997,406	348.96	No	1,414.83
Katherine Town Council	URS	10,559	7,421	175	525,485	675,649	1,201,134	49.77	No	3,860.85
Litchfield Council	UFS	25,726	3,072	730	593,866	2,847,460	3,441,326	23.25	Yes	3,900.63
Local Government Association of the Northern Territory Inc	N/A	0	0	1,888	0	1,686,482	1,686,482	0.00	No	893.26
MacDonnell Regional Council*	RTL	7,038	268,784	1,564	2,110,378	1,094,292	3,204,670	299.85	No	699.68
Roper Gulf Regional Council*	RTL	7,489	185,176	942	2,176,917	1,185,525	3,362,442	290.68	No	1,258.52
Tiwi Islands Regional Council*	RTM	2,731	7,501	845	398,924	1,065,227	1,464,151	146.07	No	1,260.62
Victoria Daly Regional Council*	RTL	3,176	153,475	341	496,187	778,031	1,274,218	156.23	No	2,281.62
Wagait Shire Council*	RTS	533	6	17	12,820	60,356	73,176	24.05	No	3,550.35
West Arnhem Regional Council*	RTL	6,789	49,698	1,232	1,359,175	1,321,100	2,680,275	200.20	No	1,072.32
West Daly Regional Council*	RTL	3,764	14,100	849	582,534	1,050,425	1,632,959	154.76	No	1,237.25

Notes: a – population estimates provided by the Local Government Grants Commission in each state and the Northern Territory.

* – Indigenous local governing body

Appendix E

Ranking of local governing bodies in 2021–22

In this appendix, the grant per capita is used as the basis for comparing relative need for the general purpose grant. For local road grant, the allocation of grant for each council is divided by their length of local roads to obtain a relative expenditure needs measure. In Table 51 to Table 64, councils within a state are sorted on the value of the general purpose grant per capita and, separately, on the value of the local road grant per kilometre. For each council, its jurisdiction's table gives the ranking obtained for both grants. The Australian Classification of Local Government category for each council is also provided (refer to Appendix F). For each state and the Northern Territory, the positions of the average general purpose grant per capita and the average local road grant per kilometre are also shown at the top of the ranking of councils.

Table 50 Key to symbols used in tables in Appendix E

Symbol	Full symbol name
RAL	Rural Agricultural Large
RAM	Rural Agricultural Medium
RAS	Rural Agricultural Small
RAV	Rural Agricultural Very Large
RSG	Rural Significant Growth
RTL	Rural Remote Large
RTM	Rural Remote Medium
RTS	Rural Remote Small
RTX	Rural Remote Extra Small
UCC	Urban Capital City
UDL	Urban Developed Large
UDM	Urban Developed Medium
UDS	Urban Developed Small
UDV	Urban Developed Very Large
UFL	Urban Fringe Large
UFM	Urban Fringe Medium
UFS	Urban Fringe Small
UFV	Urban Fringe Very Large
URL	Urban Regional Large
URM	Urban Regional Medium
URS	Urban Regional Small
URV	Urban Regional Very Large

Table 51 2021–22 New South Wales councils ranked by funding per capita – general purpose grant

The state average general purpose grant per capita for New South Wales in 2021–22 is **\$73.21**.

Rank	Council name	Classification	\$ per capita
1	Central Darling Shire Council	RTM	2,621.28
2	Brewarrina Shire Council	RAS	2,289.31
3	Bourke Shire Council	RAM	1,849.38
4	Carrathool Shire Council	RAM	1,530.27
5	Balranald Shire Council	RAM	1,432.09
6	Bogan Shire Council	RAM	1,270.94
7	Lachlan Council	RAL	1,075.81
8	Cobar Shire Council	RTL	1,055.98
9	Hay Shire Council	RAM	900.24
10	Bland Shire Council	RAL	883.18
11	Walgett Shire Council	RAL	878.10
12	Murrumbidgee Council	RAM	838.29
13	Warren Shire Council	RAM	790.72
14	Coonamble Shire Council	RAM	786.46
15	Lockhart Shire Council	RAM	775.13
16	Silverton Village Committee Incorporated	RTX	738.06
17	Gilgandra Council	RAM	692.67
18	Lord Howe Island Board	RTX	657.75
19	Wentworth Shire Council	RAL	650.30
20	Coolamon Shire Council	RAM	636.91
21	Tibooburra Village Committee Incorporated	RTX	618.43
22	Narrandera Shire Council	RAL	616.13
23	Gwydir Shire Council	RAL	595.05
24	Warrumbungle Shire Council	RAL	562.96
25	Weddin Shire Council	RAM	561.90
26	Tenterfield Shire Council	RAL	553.35
27	Walcha Council	RAM	549.53
28	Narromine Shire Council	RAL	507.00
29	Edward River Council	RAL	487.80
30	Murray River Council	RAV	479.45
31	Berrigan Shire Council	RAL	426.23
32	Moree Plains Shire Council	RAV	421.35
33	Temora Shire Council	RAL	415.57
34	Narrabri Shire Council	RAV	412.24
35	Federation Council	RAV	401.35
36	Forbes Shire Council	RAL	390.71
37	Upper Lachlan Shire Council	RAL	383.64
38	Oberon Council	RAL	375.65
39	Kyogle Council	RAL	361.70
40	Cootamundra-Gundagai Regional Council	RAV	360.21
41	Glen Innes Severn Council	RAL	355.43

Rank	Council name	Classification	\$ per capita
42	Snowy Monaro Regional Council	URS	349.00
43	Liverpool Plains Shire Council	RAL	346.63
44	Greater Hume Shire Council	RAV	333.60
45	Leeton Shire Council	RAV	329.95
46	Snowy Valleys Council	RAV	329.88
47	Junee Shire Council	RAL	327.56
48	Parkes Shire Council	RAV	315.66
49	Uralla Shire Council	RAL	313.88
50	Hilltops Council	RAV	308.55
51	Council of the City of Broken Hill	URS	285.74
52	Cowra Shire Council	RAV	280.35
53	Blayney Shire Council	RAL	279.74
54	Gunnedah Shire Council	RAV	261.58
55	Inverell Shire Council	RAV	246.20
56	Upper Hunter Shire Council	RAV	244.18
57	Bellingen Shire Council	RAV	243.61
58	Cabonne Shire Council	RAV	235.77
59	Dungog Shire Council	RAL	200.67
60	City of Lithgow Council	URS	178.77
61	Muswellbrook Shire Council	RAV	178.66
62	Mid-Western Regional Council	URS	178.56
63	Richmond Valley Council	URS	163.90
64	Bega Valley Shire Council	URM	160.45
65	Griffith City Council	URS	160.08
66	Dubbo Regional Council	URM	157.83
67	Clarence Valley Council	URM	156.91
68	Nambucca Valley Council	RAV	156.80
69	Armidale Regional Council	URM	155.50
70	Kempsey Shire Council	URS	155.17
71	Eurobodalla Shire Council	URM	147.47
72	Mid-Coast Council	URL	140.77
73	Singleton Council	URS	116.84
74	Goulburn Mulwaree Council	URM	116.77
75	Wagga Wagga City Council	URM	113.07
76	Yass Valley Council	RAV	112.38
77	Lismore City Council	URM	106.32
78	Tamworth Regional Council	URM	106.02
79	Bathurst Regional Council	URM	105.77
80	Blue Mountains City Council	UFL	99.20
81	Albury City Council	URM	95.68

Rank	Council name	Classification	\$ per capita
82	Cessnock City Council	URM	95.34
83	Orange City Council	URM	88.07
84	Shoalhaven City Council	URL	87.79
85	Tweed Shire Council	URL	83.57
86	Port Macquarie Hastings Council	URL	77.99
87	Wollongong City Council	URV	77.65
88	Port Stephens Council	URL	76.91
89	Ballina Shire Council	URM	74.73
90	Coffs Harbour City Council	URL	71.87
91	Lake Macquarie City Council	URV	68.43
92	Maitland City Council	URL	67.96
93	Newcastle City Council	URV	66.37
94	Wingecarribee Shire Council	URM	65.87
95	Central Coast Council (NSW)	UFV	65.09
96	Byron Shire Council	URM	62.19
97	Queanbeyan-Palerang Regional Council	URM	62.12
98	Council of the City of Shellharbour	URL	60.62
99	Kiama Municipal Council	URS	56.28
100	Campbelltown City Council	UFV	48.99
101	Wollondilly Shire Council	UFM	46.87
102	Hawkesbury City Council	UFM	41.42
103	Penrith City Council	UFV	40.79
104	Fairfield City Council	UDV	36.48
105	Blacktown City Council	UDV	36.33
106	Liverpool City Council	UDV	29.20
107	City of Parramatta Council	UDV	29.18
108	Cumberland Council	UDV	27.34
109	Mosman Municipal Council	UDM	24.20
110	Hunter's Hill Council	UDS	24.12
111	The Council of Camden	UFL	23.38
112	Burwood Council	UDM	22.74
113	Lane Cove Municipal Council	UDM	22.67
114	Strathfield Municipal Council	UDM	22.45
115	Canterbury-Bankstown Council	UDV	22.41
116	Bayside Council	UDV	21.96
116	City of Canada Bay Council	UDL	21.96
116	Council of the City of Ryde	UDV	21.96
116	Council of the Municipality of Woollahra	UDM	21.96
116	Georges River Council	UDV	21.96
116	Hornsby Shire Council	UFV	21.96

Rank	Council name	Classification	\$ per capita
116	Inner West Council	UDV	21.96
116	Ku-Ring-Gai Council	UDV	21.96
116	North Sydney Council	UDL	21.96
116	Northern Beaches Council	UDV	21.96
116	Randwick City Council	UDV	21.96
116	Sutherland Shire Council	UDV	21.96
116	The Council of the City of Sydney	UCC	21.96
116	The Hills Shire Council	UFV	21.96
116	Waverley Council	UDL	21.96
116	Willoughby City Council	UDL	21.96

Table 52 2021–22 New South Wales councils ranked by funding per km – local roads grant

The state average local road grant per km for New South Wales in 2021–22 is **\$1,657.05**.

Rank	Council name	Classification	\$ per km
1	The Council of the City of Sydney	UCC	5,114.97
2	Waverley Council	UDL	4,233.32
3	Strathfield Municipal Council	UDM	3,877.63
4	Randwick City Council	UDV	3,868.89
5	Bayside Council	UDV	3,821.40
6	North Sydney Council	UDL	3,694.84
7	City of Canada Bay Council	UDL	3,674.81
8	Burwood Council	UDM	3,605.98
9	City of Parramatta Council	UDV	3,555.21
10	Inner West Council	UDV	3,506.60
11	Canterbury-Bankstown Council	UDV	3,403.69
12	Lane Cove Municipal Council	UDM	3,383.03
13	Cumberland Council	UDV	3,381.98
14	Council of the Municipality of Woollahra	UDM	3,372.62
15	Council of the City of Ryde	UDV	3,370.75
16	Georges River Council	UDV	3,339.46
17	Willoughby City Council	UDL	3,248.24
18	Coffs Harbour City Council	URL	3,057.15
19	Fairfield City Council	UDV	3,044.17
20	Mosman Municipal Council	UDM	3,030.96
21	Northern Beaches Council	UDV	3,021.22
22	Albury City Council	URM	2,950.31
23	Tweed Shire Council	URL	2,920.12
24	Hunter's Hill Council	UDS	2,882.83
25	Liverpool City Council	UDV	2,833.72
26	Ku-Ring-Gai Council	UDV	2,805.62
27	Blacktown City Council	UDV	2,793.68
28	Hornsby Shire Council	UFV	2,781.64
29	Sutherland Shire Council	UDV	2,769.40
30	Campbelltown City Council	UFV	2,746.18
31	Wollongong City Council	URV	2,727.61
32	Orange City Council	URM	2,722.50
33	Newcastle City Council	URV	2,608.03
34	Port Macquarie Hastings Council	URL	2,601.49
35	Council of the City of Broken Hill	URS	2,527.45
36	The Council of Camden	UFL	2,520.62
37	Council of the City of Shellharbour	URL	2,506.28
38	The Hills Shire Council	UFV	2,492.21
39	Penrith City Council	UFV	2,472.34
40	Kiama Municipal Council	URS	2,441.13

Rank	Council name	Classification	\$ per km
41	Ballina Shire Council	URM	2,438.40
42	Shoalhaven City Council	URL	2,388.14
43	Byron Shire Council	URM	2,374.37
44	Central Coast Council (NSW)	UFV	2,365.43
45	Lake Macquarie City Council	URV	2,305.36
46	Maitland City Council	URL	2,242.12
47	Cessnock City Council	URM	2,066.49
48	Port Stephens Council	URL	2,054.20
49	Hawkesbury City Council	UFM	2,042.99
50	Blue Mountains City Council	UFL	2,038.56
51	Wollondilly Shire Council	UFM	2,028.20
52	Nambucca Valley Council	RAV	1,988.07
53	Wingecarribee Shire Council	URM	1,979.10
54	Lismore City Council	URM	1,974.69
55	Queanbeyan-Palerang Regional Council	URM	1,949.17
56	Eurobodalla Shire Council	URM	1,923.49
57	Bathurst Regional Council	URM	1,909.82
58	Bellingen Shire Council	RAV	1,902.13
59	Kempsey Shire Council	URS	1,874.49
60	Mid-Coast Council	URL	1,830.38
61	Bega Valley Shire Council	URM	1,820.64
62	Singleton Council	URS	1,818.26
63	Richmond Valley Council	URS	1,762.92
64	Muswellbrook Shire Council	RAV	1,761.28
65	Clarence Valley Council	URM	1,754.26
66	Goulburn Mulwaree Council	URM	1,750.20
67	Wagga Wagga City Council	URM	1,702.38
68	Dungog Shire Council	RAL	1,695.19
69	Kyogle Council	RAL	1,657.33
70	Tamworth Regional Council	URM	1,590.47
71	City of Lithgow Council	URS	1,582.19
72	Dubbo Regional Council	URM	1,497.37
73	Snowy Valleys Council	RAV	1,496.68
74	Armidale Regional Council	URM	1,489.25
75	Griffith City Council	URS	1,461.48
76	Yass Valley Council	RAV	1,428.45
77	Glen Innes Severn Council	RAL	1,403.82
78	Mid-Western Regional Council	URS	1,402.50
79	Blayney Shire Council	RAL	1,387.06
80	Cootamundra-Gundagai Regional Council	RAV	1,369.60
81	Upper Hunter Shire Council	RAV	1,367.70
82	Cowra Shire Council	RAV	1,340.46

Rank	Council name	Classification	\$ per km
83	Cabonne Shire Council	RAV	1,330.41
84	Uralla Shire Council	RAL	1,324.18
85	Leeton Shire Council	RAV	1,318.98
86	Snowy Monaro Regional Council	URS	1,314.54
87	Inverell Shire Council	RAV	1,310.13
88	Gunnedah Shire Council	RAV	1,301.77
89	Murray River Council	RAV	1,298.02
90	Greater Hume Shire Council	RAV	1,293.56
91	Liverpool Plains Shire Council	RAL	1,275.21
92	Hilltops Council	RAV	1,275.18
93	Walcha Council	RAM	1,274.14
94	Tenterfield Shire Council	RAL	1,267.07
95	Junee Shire Council	RAL	1,249.60
96	Forbes Shire Council	RAL	1,234.08
97	Oberon Council	RAL	1,226.15
98	Lockhart Shire Council	RAM	1,224.98
99	Upper Lachlan Shire Council	RAL	1,222.09
100	Federation Council	RAV	1,219.15
101	Parkes Shire Council	RAV	1,218.61
102	Narrabri Shire Council	RAV	1,216.18
103	Moree Plains Shire Council	RAV	1,214.97
104	Berrigan Shire Council	RAL	1,213.42
105	Edward River Council	RAL	1,208.65
106	Gilgandra Council	RAM	1,201.88
107	Warren Shire Council	RAM	1,196.24
108	Walgett Shire Council	RAL	1,195.74
109	Warrumbungle Shire Council	RAL	1,194.62
110	Gwydir Shire Council	RAL	1,189.73
111	Narrandera Shire Council	RAL	1,186.61
112	Temora Shire Council	RAL	1,177.90
113	Coonamble Shire Council	RAM	1,174.00
114	Weddin Shire Council	RAM	1,172.73
115	Bogan Shire Council	RAM	1,169.66
116	Narromine Shire Council	RAL	1,169.25
117	Wentworth Shire Council	RAL	1,159.04
118	Hay Shire Council	RAM	1,152.86
119	Brewarrina Shire Council	RAS	1,142.26
120	Murrumbidgee Council	RAM	1,139.06
121	Coolamon Shire Council	RAM	1,136.87
122	Carrathool Shire Council	RAM	1,133.37
123	Cobar Shire Council	RTL	1,126.65
124	Lachlan Council	RAL	1,123.13
125	Bourke Shire Council	RAM	1,122.39

Rank	Council name	Classification	\$ per km
126	Bland Shire Council	RAL	1,120.09
127	Balranald Shire Council	RAM	1,105.65
128	Central Darling Shire Council	RTM	1,102.56
129	Lord Howe Island Board	RTX	0.00
129	Silverton Village Committee Incorporated	RTX	0.00
129	Tibooburra Village Committee Incorporated	RTX	0.00

Table 53 2021–22 Victorian councils ranked by funding per capita – general purpose grant

The state average general purpose grant per capita for Victoria in 2021–22 is **\$72.83**.

Rank	Council name	Classification	\$ per capita
1	West Wimmera Shire Council	RAM	1,005.20
2	Loddon Shire Council	RAL	767.55
3	Buloke Shire Council	RAL	719.58
4	Hindmarsh Shire Council	RAL	577.96
5	Yarriambiack Shire Council	RAL	563.59
6	Shire of Towong	RAL	538.83
7	Pyrenees Shire Council	RAL	485.59
8	Northern Grampians Shire Council	RAV	457.69
9	Gannawarra Shire Council	RAV	375.54
10	Ararat Rural City Council	RAV	339.13
11	Shire of Strathbogie	RAV	325.02
12	Corangamite Shire Council	RAV	306.91
13	Southern Grampians Shire Council	RAV	306.15
14	Shire of Moyne	RAV	288.75
15	Glenelg Shire Council	RAV	280.35
16	Moirra Shire Council	URS	259.55
17	East Gippsland Shire Council	URM	254.84
18	Swan Hill Rural City Council	URS	249.06
19	Mansfield Shire Council	RAL	242.56
20	Hepburn Shire Council	RAV	233.08
21	Central Goldfields Shire Council	RAV	232.70
22	South Gippsland Shire Council	URS	228.22
23	Murrindindi Shire Council	RAV	225.79
24	Campaspe Shire Council	URM	225.17
25	Horsham Rural City Council	RAV	224.98
26	Alpine Shire	RAV	221.78
27	Wellington Shire Council	URM	221.70
28	Mildura Rural City Council	URM	217.53
29	Colac Otway Shire	URS	211.62
30	Benalla Rural City Council	RAV	207.56
31	Indigo Shire Council	RAV	204.84
32	Mount Alexander Shire Council	RAV	188.60
33	Wangaratta Rural City Council	URS	182.98
34	Golden Plains Shire Council	UFS	173.92
35	Greater Shepparton City Council	URM	162.13
36	Borough of Queenscliffe	UFS	147.02
37	Bass Coast Shire Council	UFM	145.24
38	Moorabool Shire Council	URM	140.56
39	Latrobe City Council	URL	139.55

Rank	Council name	Classification	\$ per capita
40	Mitchell Shire Council	URM	139.18
41	Baw Baw Shire Council	URM	132.71
42	Greater Bendigo City Council	URL	122.68
43	Wodonga City Council	URM	118.33
44	Macedon Ranges Shire Council	URM	115.53
45	Ballarat City Council	URL	109.44
46	Warrnambool City Council	URM	105.59
47	Melton City Council	UFV	95.06
48	Surf Coast Shire	UFM	90.16
49	Cardinia Shire Council	UFL	86.05
50	City of Greater Geelong	URV	75.38
51	Yarra Ranges Shire Council	UFV	72.23
52	City of Greater Dandenong	UDV	63.37
53	Wyndham City Council	UFV	62.49
54	Hume City Council	UFV	61.77
55	Brimbank City Council	UDV	61.16
56	City of Whittlesea	UFV	56.11
57	Casey City Council	UDV	53.55
58	Frankston City Council	UDV	52.67
59	City of Knox	UDV	40.14
60	Maroondah City Council	UDL	35.48
61	Nillumbik Shire Council	UFM	30.81
62	City of Maribyrnong	UDL	24.33
63	Mornington Peninsula Shire Council	UFV	21.93
64	Banyule City Council	UDV	21.85
64	Bayside City Council	UDL	21.85
64	City of Boroondara	UDV	21.85
64	City of Darebin	UDV	21.85
64	City of Glen Eira	UDV	21.85
64	City of Port Phillip	UDL	21.85
64	Hobsons Bay City Council	UDL	21.85
64	Kingston City Council	UDV	21.85
64	Manningham City Council	UDV	21.85
64	Melbourne City Council (City of Melbourne)	UCC	21.85
64	Monash City Council	UDV	21.85
64	Moonee Valley City Council	UDV	21.85
64	Moreland City Council	UDV	21.85
64	Stonnington City Council	UDL	21.85
64	Whitehorse City Council	UDV	21.85
64	Yarra City Council	UDL	21.85

Table 54 2021–22 Victorian councils ranked by funding per km – local roads grant

The state average local road grant per km for Victoria in 2021–22 is **\$1,356.96**.

Rank	Council name	Classification	\$ per km	Rank	Council name	Classification	\$ per km
1	Melbourne City Council (City of Melbourne)	UCC	3,255.14	43	Surf Coast Shire	UFM	1,592.15
2	City of Greater Dandenong	UDV	2,473.50	44	Bayside City Council	UDL	1,580.26
3	City of Port Phillip	UDL	2,178.45	45	Murrindindi Shire Council	RAV	1,517.41
4	Brimbank City Council	UDV	2,131.32	46	Baw Baw Shire Council	URM	1,514.06
5	Hume City Council	UFV	2,121.17	47	Manningham City Council	UDV	1,502.24
6	City of Maribyrnong	UDL	2,105.25	48	Macedon Ranges Shire Council	URM	1,494.97
7	Warrnambool City Council	URM	2,088.58	49	Borough of Queenscliffe	UFS	1,493.65
8	Yarra City Council	UDL	2,050.13	50	City of Glen Eira	UDV	1,471.25
9	Yarra Ranges Shire Council	UFV	2,048.50	51	Glenelg Shire Council	RAV	1,446.83
10	Melton City Council	UFV	2,047.95	52	Mitchell Shire Council	URM	1,432.03
11	Moreland City Council	UDV	1,965.90	53	Moorabool Shire Council	URM	1,415.12
12	South Gippsland Shire Council	URS	1,951.20	54	Mount Alexander Shire Council	RAV	1,367.66
13	Moonee Valley City Council	UDV	1,937.16	55	Wangaratta Rural City Council	URS	1,354.38
14	Hobsons Bay City Council	UDL	1,933.09	56	Greater Shepparton City Council	URM	1,353.99
15	Kingston City Council	UDV	1,928.35	57	Golden Plains Shire Council	UFS	1,347.93
16	Stonnington City Council	UDL	1,917.98	58	Mansfield Shire Council	RAL	1,223.57
17	City of Whittlesea	UFV	1,916.97	59	Greater Bendigo City Council	URL	1,220.61
18	Banyule City Council	UDV	1,905.05	60	Benalla Rural City Council	RAV	1,203.16
19	City of Darebin	UDV	1,900.30	61	Moirā Shire Council	URS	1,173.79
20	Cardinia Shire Council	UFL	1,851.44	62	Indigo Shire Council	RAV	1,160.25
21	Monash City Council	UDV	1,843.47	63	Pyrenees Shire Council	RAL	1,152.59
22	Maroondah City Council	UDL	1,808.26	64	Hepburn Shire Council	RAV	1,130.02
23	Whitehorse City Council	UDV	1,789.93	65	Campaspe Shire Council	URM	1,109.01
24	City of Boroondara	UDV	1,779.47	66	Shire of Strathbogie	RAV	1,093.25
25	Ballarat City Council	URL	1,775.77	67	Ararat Rural City Council	RAV	1,032.39
26	Colac Otway Shire	URS	1,771.06	68	Central Goldfields Shire Council	RAV	1,016.36
27	Wellington Shire Council	URM	1,755.50	69	Gannawarra Shire Council	RAV	978.34
28	City of Knox	UDV	1,739.90	70	Northern Grampians Shire Council	RAV	946.38
29	East Gippsland Shire Council	URM	1,738.49	71	Southern Grampians Shire Council	RAV	919.94
30	Latrobe City Council	URL	1,730.50	72	West Wimmera Shire Council	RAM	911.74
31	Wyndham City Council	UFV	1,723.64	73	Mildura Rural City Council	URM	873.23
32	Alpine Shire	RAV	1,718.74	74	Loddon Shire Council	RAL	851.89
33	Frankston City Council	UDV	1,717.53	75	Horsham Rural City Council	RAV	807.31
34	Wodonga City Council	URM	1,696.74	76	Swan Hill Rural City Council	URS	720.76
35	City of Greater Geelong	URV	1,672.66	77	Hindmarsh Shire Council	RAL	580.16
36	Casey City Council	UDV	1,661.73	78	Yarriambiack Shire Council	RAL	472.38
37	Bass Coast Shire Council	UFM	1,659.85	79	Buloke Shire Council	RAL	0.00
38	Shire of Towong	RAL	1,659.52				
39	Shire of Moyne	RAV	1,647.47				
40	Nillumbik Shire Council	UFM	1,627.79				
41	Corangamite Shire Council	RAV	1,626.72				
42	Mornington Peninsula Shire Council	UFV	1,594.51				

Table 55 2021–22 Queensland councils ranked by funding per capita – general purpose grant

The state average general purpose grant per capita for Queensland in 2021–22 is **\$74.03**.

Rank	Council name	Classification	\$ per capita
1	Bulloo Shire Council	RTX	20,844.50
2	Croydon Shire Council	RTX	13,858.38
3	Barcoo Shire Council	RTX	11,585.72
4	Diamantina Shire Council	RTX	9,488.43
5	Burke Shire Council	RTX	8,162.83
6	Etheridge Shire Council	RTS	6,488.90
7	Boulia Shire Council	RTS	5,983.32
8	Mckinlay Shire Council	RTS	5,943.80
9	Quilpie Shire Council	RTS	5,304.94
10	Flinders Shire Council	RTM	4,452.81
11	Mapoon Aboriginal Shire Council	RTX	4,138.95
12	Winton Shire Council	RTM	3,924.30
13	Richmond Shire Council	RTS	3,747.24
14	Wujal Wujal Aboriginal Shire Council	RTX	2,962.14
15	Paroo Shire Council	RTM	2,924.11
16	Lockhart River Aboriginal Shire Council	RTS	2,379.76
17	Torres Strait Island Regional Council	RTL	2,375.68
18	Carpentaria Shire Council	RTM	2,370.58
19	Barcaldine Regional Council	RTM	2,150.28
20	Mornington Shire Council	RTM	2,086.92
21	Cook Shire Council	RTL	2,075.97
22	Pormpuraaw Aboriginal Shire Council	RTS	2,006.39
23	Longreach Regional Council	RTL	1,935.84
24	Blackall-Tambo Regional Council	RTM	1,792.24
25	Kowanyama Aboriginal Shire Council	RTS	1,692.94
26	Cloncurry Shire Council	RTL	1,661.89
27	Aurukun Shire Council	RTM	1,639.68
28	Hope Vale Aboriginal Shire Council	RTM	1,493.45
29	Napranum Aboriginal Shire Council	RTM	1,472.84
30	Northern Peninsula Area Regional Council	RTL	1,445.62
31	Murweh Shire Council	RTL	1,365.57
32	Doomadgee Aboriginal Shire Council	RTM	1,122.32
33	Maranoa Regional Council	RAV	1,110.80
34	Balonne Shire Council	RAM	1,054.17
35	Torres Shire Council	RTL	1,020.05
36	Woorabinda Aboriginal Shire Council	RTM	955.35
37	North Burnett Regional Council	RAV	854.41
38	Palm Island Aboriginal Shire Council	RTM	771.50

Rank	Council name	Classification	\$ per capita
39	Cherbourg Aboriginal Shire Council	RTM	741.30
40	Yarrabah Aboriginal Shire Council	RTM	568.69
41	Goondiwindi Regional Council	RAV	423.46
42	Charters Towers Regional Council	RAV	362.23
43	Banana Shire Council	RAV	342.03
44	Western Downs Regional Council	URM	338.89
45	Mount Isa City Council	RTL	315.42
46	Mareeba Shire Council	URS	304.24
47	Central Highlands Regional Council	URS	271.30
48	Tablelands Regional Council	URS	203.01
49	Isaac Regional Council	URS	170.94
50	Burdekin Shire Council	RAV	167.00
51	Hinchinbrook Shire Council	RAV	150.50
52	South Burnett Regional Council	URM	149.86
53	Whitsunday Regional Council	URM	128.87
54	Southern Downs Regional Council	URM	120.72
55	Douglas Shire Council	RAV	105.35
56	Cassowary Coast Regional Council	URS	102.02
57	Gladstone Regional Council	URM	98.64
58	Somerset Regional Council	UFS	87.32
59	Lockyer Valley Regional Council	URM	84.94
60	Rockhampton Regional Council	URL	84.36
61	Livingstone Shire Council	UFM	82.85
62	Gympie Regional Council	URM	74.24
63	Bundaberg Regional Council	URL	62.35
64	Fraser Coast Regional Council	URL	52.65
65	Toowoomba Regional Council	URV	49.65
66	Scenic Rim Regional Council	UFM	46.22
67	Mackay Regional Council	URL	27.50
68	Brisbane City Council	UCC	22.21
68	Cairns Regional Council	URV	22.21
68	Gold Coast City Council	URV	22.21
68	Ipswich City Council	URV	22.21
68	Logan City Council	URV	22.21
68	Moreton Bay Regional Council	URV	22.21
68	Noosa Shire Council	URM	22.21
68	Redland City Council	URV	22.21
68	Sunshine Coast Regional Council	URV	22.21
68	Townsville City Council	URV	22.21

Table 56 2021–22 Queensland councils ranked by funding per km – local roads grant

The state average local road grant per km for Queensland in 2021–22 is **\$1,050.07**.

Rank	Council name	Classification	\$ per km
1	Brisbane City Council	UCC	3,159.94
2	Gold Coast City Council	URV	2,899.04
3	Logan City Council	URV	2,193.09
4	Redland City Council	URV	2,153.64
5	Ipswich City Council	URV	2,151.15
6	Cairns Regional Council	URV	2,064.21
7	Moreton Bay Regional Council	URV	2,053.98
8	Sunshine Coast Regional Council	URV	1,945.09
9	Townsville City Council	URV	1,884.93
10	Noosa Shire Council	URM	1,393.80
11	Palm Island Aboriginal Shire Council	RTM	1,368.23
12	Yarrabah Aboriginal Shire Council	RTM	1,224.07
13	Mackay Regional Council	URL	1,193.19
14	Fraser Coast Regional Council	URL	1,125.48
15	Rockhampton Regional Council	URL	1,118.77
16	Bundaberg Regional Council	URL	1,016.37
17	Lockyer Valley Regional Council	URM	984.91
18	Douglas Shire Council	RAV	978.25
19	Livingstone Shire Council	UFM	951.69
20	Toowoomba Regional Council	URV	950.78
21	Gladstone Regional Council	URM	938.57
22	Cassowary Coast Regional Council	URS	936.40
23	Scenic Rim Regional Council	UFM	932.11
24	Gympie Regional Council	URM	921.01
25	Whitsunday Regional Council	URM	889.14
26	Cherbourg Aboriginal Shire Council	RTM	873.32
27	Torres Strait Island Regional Council	RTL	871.32
28	Woorabinda Aboriginal Shire Council	RTM	864.79
29	Wujal Wujal Aboriginal Shire Council	RTX	859.22
30	Hinchinbrook Shire Council	RAV	834.27
31	Burdekin Shire Council	RAV	827.25
32	Somerset Regional Council	UFS	820.03
33	Tablelands Regional Council	URS	817.57
34	Doomadgee Aboriginal Shire Council	RTM	814.01
35	Torres Shire Council	RTL	808.89
36	Southern Downs Regional Council	URM	789.70
37	Aurukun Shire Council	RTM	784.34
38	South Burnett Regional Council	URM	783.60

Rank	Council name	Classification	\$ per km
39	Mareeba Shire Council	URS	773.81
40	Mount Isa City Council	RTL	763.66
41	Northern Peninsula Area Regional Council	RTL	760.75
42	Hope Vale Aboriginal Shire Council	RTM	757.97
43	Mornington Shire Council	RTM	748.37
44	Isaac Regional Council	URS	733.15
45	Napranum Aboriginal Shire Council	RTM	732.05
46	Central Highlands Regional Council	URS	731.09
47	Mapoon Aboriginal Shire Council	RTX	726.31
48	Western Downs Regional Council	URM	712.55
49	Lockhart River Aboriginal Shire Council	RTS	712.19
50	Goondiwindi Regional Council	RAV	709.38
51	Banana Shire Council	RAV	701.28
52	Charters Towers Regional Council	RAV	695.06
53	Kowanyama Aboriginal Shire Council	RTS	693.16
54	North Burnett Regional Council	RAV	688.67
55	Maranoa Regional Council	RAV	684.74
56	Cloncurry Shire Council	RTL	681.95
57	Pormpuraaw Aboriginal Shire Council	RTS	681.36
58	Balonne Shire Council	RAM	678.79
59	Cook Shire Council	RTL	677.75
60	Murweh Shire Council	RTL	677.18
61	Longreach Regional Council	RTL	674.04
62	Carpentaria Shire Council	RTM	673.49
63	Blackall-Tambo Regional Council	RTM	671.18
64	Barcaldine Regional Council	RTM	670.66
65	Flinders Shire Council	RTM	668.55
66	Paroo Shire Council	RTM	667.45
67	Richmond Shire Council	RTS	667.08
68	Mckinlay Shire Council	RTS	665.69
69	Burke Shire Council	RTX	665.60
70	Winton Shire Council	RTM	665.15
71	Etheridge Shire Council	RTS	665.11
72	Quilpie Shire Council	RTS	664.19
73	Boulia Shire Council	RTS	663.52
74	Diamantina Shire Council	RTX	663.03
75	Croydon Shire Council	RTX	662.94
76	Bulloo Shire Council	RTX	661.81
77	Barcoo Shire Council	RTX	661.78

Table 57 2021–22 Western Australian councils ranked by funding per capita – general purpose grant

The state average general purpose grant per capita for Western Australia in 2021–22 is **\$76.23**.

Rank	Council name	Classification	\$ per capita
1	Shire of Sandstone	RTX	21,573.71
2	Shire of Murchison	RTX	19,391.64
3	Shire of Cue	RTX	11,514.84
4	Shire of Upper Gascoyne	RTX	10,875.37
5	Shire of Yalgoo	RTX	5,297.07
6	Shire of Nungarin	RAS	4,204.30
7	Shire of Trayning	RAS	3,955.57
8	Shire of Mount Magnet	RTS	3,602.10
9	Shire of Mount Marshall	RAS	3,374.45
10	Shire of Koorda	RAS	3,356.49
11	Shire of Westonia	RAS	3,318.02
12	Shire of Menzies	RTS	3,233.90
13	Shire of Wiluna	RTS	2,976.77
14	Shire of Meekatharra	RTM	2,640.47
15	Shire of Perenjori	RAS	2,570.08
16	Shire of Wyalkatchem	RAS	2,568.26
17	Shire of Kent	RAS	2,266.68
18	Shire of Mukinbudin	RAS	2,208.95
19	Shire of Tammin	RAS	2,056.80
20	Shire of Carnamah	RAS	1,961.33
21	Shire of Yilgarn	RAS	1,934.47
22	Shire of Kulin	RAS	1,892.34
23	Shire of Morawa	RAS	1,861.89
24	Shire of Kondinin	RAS	1,858.94
25	Shire of Ngaanyatjaraku	RTM	1,858.10
26	Shire of Bruce Rock	RAS	1,838.86
27	Shire of Dumbleyung	RAS	1,766.83
28	Shire of Narembeen	RAS	1,611.37
29	Shire of Shark Bay	RTS	1,575.19
30	Shire of Three Springs	RAS	1,570.39
31	Shire of Coorow	RAS	1,543.68
32	Shire of Dundas	RTS	1,543.47
33	Shire of Wickiepin	RAS	1,539.69
34	Shire of Dowerin	RAS	1,448.48
35	Shire of Dalwallinu	RAS	1,412.64
36	Shire of Lake Grace	RAS	1,378.69
37	Shire of Kellerberrin	RAS	1,365.01
38	Shire of Laverton	RTM	1,354.43
39	Shire of Quairading	RAS	1,345.83
40	Shire of Woodanilling	RAS	1,239.78

Rank	Council name	Classification	\$ per capita
41	Shire of Corrigin	RAS	1,182.29
42	Shire of Wongan-Ballidu	RAS	1,142.08
43	Shire of Broomehill-Tambellup	RAS	1,095.27
44	Shire of Halls Creek	RTL	1,009.30
45	Shire of Cranbrook	RAS	937.73
46	Shire of Mingenew	RAS	908.75
47	Shire of Pingelly	RAS	877.08
48	Shire of Brookton	RAS	833.72
49	Shire of Ravensthorpe	RAS	830.09
50	Shire of Gnowangerup	RAS	819.61
51	Shire of West Arthur	RAS	808.35
52	Shire of Wandering	RAS	792.19
53	Shire of Carnarvon	RAL	757.23
54	Shire of Victoria Plains	RAS	727.73
55	Shire of Jerramungup	RAS	719.51
56	Shire of Cunderdin	RAS	688.60
57	Shire of Cuballing	RAS	673.90
58	Shire of Nannup	RAS	635.46
59	Shire of Derby West Kimberley	RTL	572.60
60	Shire of Wagin	RAS	569.03
61	Shire of Goomalling	RAS	510.33
62	Shire of Boyup Brook	RAS	507.30
63	Shire of Merredin	RAM	500.39
64	Shire of Exmouth	RTM	499.50
65	Shire of Beverley	RAS	472.58
66	Shire of Northampton	RAM	465.95
67	Shire of Kojonup	RAS	463.61
68	Shire of Moora	RAM	438.62
69	Shire of Katanning	RAM	418.23
70	Shire of Wyndham East Kimberley	RTL	385.70
71	Shire of Leonora	RTM	368.47
72	Shire of Chapman Valley	RAS	357.59
73	Shire of Narrogin	RAL	348.19
74	Shire of Manjimup	RAL	331.88
75	Shire of Williams	RAS	297.06
76	Shire of Bridgetown Greenbushes	RAM	253.11
77	Shire of York	RAM	249.11
78	Shire of Dandaragan	RAM	246.18

Rank	Council name	Classification	\$ per capita
79	Shire of Northam	RAV	237.67
80	Shire of Plantagenet	RAL	233.84
81	Shire of Esperance	RAV	232.05
82	Shire of Waroona	RAM	229.70
83	Shire of Donnybrook Balingup	RAL	226.18
84	Shire of East Pilbara	RTL	223.52
85	Shire of Toodyay	RAM	217.27
86	Shire of Ashburton	RTL	194.44
87	Shire of Gingin	RAL	181.00
88	Shire of Coolgardie	RTL	177.73
89	Shire of Chittering	RAL	170.88
90	Shire of Collie	RAL	147.79
91	Shire of Broome	RTL	112.06
92	City of Greater Geraldton	URM	109.63
93	Shire of Irwin	RAM	95.58
94	Shire of Denmark	RAL	93.07
95	Shire of Harvey	URS	84.88
96	Shire of Capel	URS	82.63
97	City of Albany	URM	78.23
98	Shire of Dardanup	RAV	67.02
99	City of Kalgoorlie-Boulder	URM	54.66
100	Shire of Murray	RAV	54.49
101	Shire of Boddington	RAS	49.67
102	Shire of Serpentine Jarrahdale	UFS	47.84
103	Town of Port Hedland	RTL	46.10
104	City of Karratha	URS	38.21
105	Shire of Mundaring	UFM	37.15
106	Shire of Augusta Margaret River	RSG	32.47
107	City of Armadale	UFM	23.44
108	City of Bayswater	UDM	22.87
108	City of Belmont	UDM	22.87
108	City of Bunbury	URM	22.87
108	City of Busselton	URM	22.87
108	City of Canning	UDL	22.87
108	City of Cockburn	UDL	22.87
108	City of Fremantle	UDM	22.87
108	City of Gosnells	UDV	22.87
108	City of Joondalup	UDV	22.87

Rank	Council name	Classification	\$ per capita
108	City of Kalamunda	UFM	22.87
108	City of Kwinana	UFM	22.87
108	City of Mandurah	UFL	22.87
108	City of Melville	UDL	22.87
108	City of Nedlands	UDS	22.87
108	City of Perth	UCC	22.87
108	City of Rockingham	UFV	22.87
108	City of South Perth	UDM	22.87
108	City of Stirling	UDV	22.87
108	City of Subiaco	UDS	22.87
108	City of Swan	UFV	22.87
108	City of Vincent	UDS	22.87
108	City of Wanneroo	UFV	22.87
108	Shire of Peppermint Grove	UDS	22.87
108	Town of Bassendean	UDS	22.87
108	Town of Cambridge	UDS	22.87
108	Town of Claremont	UDS	22.87
108	Town of Cottesloe	UDS	22.87
108	Town of East Fremantle	UDS	22.87
108	Town of Mosman Park	UDS	22.87
108	Town of Victoria Park	UDM	22.87

Table 58 2021–22 Western Australian councils ranked by funding per km – local roads grant

The state average local road grant per km for Western Australia in 2021–22 is **\$1,013.62**

Rank	Council name	Classification	\$ per km
1	City of Perth	UCC	4,741.83
2	City of Swan	UFV	3,025.16
3	City of Bunbury	URM	3,003.94
4	Shire of Dardanup	RAV	2,895.95
5	City of Vincent	UDS	2,772.61
6	City of Canning	UDL	2,744.06
7	City of Subiaco	UDS	2,728.60
8	City of Belmont	UDM	2,673.80
9	City of Fremantle	UDM	2,537.55
10	City of Bayswater	UDM	2,520.17
11	Shire of Peppermint Grove	UDS	2,483.78
12	Town of Victoria Park	UDM	2,478.92
13	City of Armadale	UFM	2,462.39
14	Town of Bassendean	UDS	2,435.51
15	Town of Claremont	UDS	2,427.90
16	Shire of Boddington	RAS	2,388.87
17	Town of Cambridge	UDS	2,386.11
18	City of Joondalup	UDV	2,385.64
19	City of Nedlands	UDS	2,380.67
20	City of Gosnells	UDV	2,368.91
21	Town of Cottesloe	UDS	2,359.00
22	City of South Perth	UDM	2,346.38
23	City of Stirling	UDV	2,327.32
24	City of Melville	UDL	2,320.85
25	City of Cockburn	UDL	2,309.60
26	City of Wanneroo	UFV	2,221.86
27	Town of East Fremantle	UDS	2,204.16
28	Town of Mosman Park	UDS	2,164.00
29	City of Rockingham	UFV	2,139.14
30	City of Mandurah	UFL	2,105.32
31	City of Kalamunda	UFM	2,069.21
32	City of Kwinana	UFM	2,050.74
33	Shire of Broome	RTL	1,990.68
34	Shire of Exmouth	RTM	1,938.97
35	Shire of Capel	URS	1,920.94
36	City of Karratha	URS	1,848.44
37	Town of Port Hedland	RTL	1,827.00
38	Shire of Wyndham East Kimberley	RTL	1,746.19
39	City of Busselton	URM	1,733.36
40	Shire of Mundaring	UFM	1,723.30

Rank	Council name	Classification	\$ per km
41	Shire of Serpentine Jarrahdale	UFS	1,555.28
42	Shire of Manjimup	RAL	1,502.96
43	Shire of Bridgetown Greenbushes	RAM	1,429.26
44	City of Kalgoorlie-Boulder	URM	1,419.47
45	Shire of Collie	RAL	1,399.70
46	City of Albany	URM	1,397.25
47	Shire of Murray	RAV	1,355.70
48	Shire of Narrogin	RAL	1,311.70
49	Shire of Harvey	URS	1,297.39
50	Shire of Waroona	RAM	1,291.16
51	Shire of Augusta Margaret River	RSG	1,247.33
52	Shire of Ngaanyatjaraku	RTM	1,231.93
53	Shire of Donnybrook Balingup	RAL	1,223.40
54	Shire of Northam	RAV	1,173.03
55	Shire of Chittering	RAL	1,163.96
56	Shire of Gingin	RAL	1,106.14
57	Shire of Nannup	RAS	1,090.88
58	City of Greater Geraldton	URM	1,074.74
59	Shire of York	RAM	1,036.50
60	Shire of Toodyay	RAM	992.05
61	Shire of Goomalling	RAS	967.76
62	Shire of Beverley	RAS	965.28
63	Shire of Pingelly	RAS	960.09
64	Shire of Carnarvon	RAL	945.75
65	Shire of Derby West Kimberley	RTL	940.65
66	Shire of East Pilbara	RTL	923.33
67	Shire of Shark Bay	RTS	899.25
68	Shire of Bruce Rock	RAS	882.87
69	Shire of Moora	RAM	872.47
70	Shire of Dandaragan	RAM	865.85
71	Shire of Denmark	RAL	860.83
72	Shire of Ravensthorpe	RAS	844.47
73	Shire of Halls Creek	RTL	833.54
74	Shire of Irwin	RAM	832.89
75	Shire of Mingenew	RAS	807.92
76	Shire of Katanning	RAM	806.89
77	Shire of Three Springs	RAS	802.43
78	Shire of Carnamah	RAS	781.42

Rank	Council name	Classification	\$ per km
79	Shire of Esperance	RAV	777.80
80	Shire of Williams	RAS	764.93
81	Shire of Cue	RTX	756.28
82	Shire of Plantagenet	RAL	751.88
83	Shire of Northampton	RAM	746.82
84	Shire of Coorow	RAS	740.71
85	Shire of Victoria Plains	RAS	739.55
86	Shire of Broomehill-Tambellup	RAS	737.20
87	Shire of Quairading	RAS	734.31
88	Shire of Boyup Brook	RAS	731.93
89	Shire of Wandering	RAS	730.89
90	Shire of Cunderdin	RAS	728.91
91	Shire of Ashburton	RTL	727.15
92	Shire of Brookton	RAS	727.06
93	Shire of Merredin	RAM	720.69
94	Shire of Corrigin	RAS	712.49
95	Shire of Cranbrook	RAS	703.66
96	Shire of Wagin	RAS	703.21
97	Shire of Gnowangerup	RAS	702.95
98	Shire of Wyalkatchem	RAS	694.42
99	Shire of Dumbleyung	RAS	693.97
100	Shire of Nungarin	RAS	686.37
101	Shire of Trayning	RAS	684.46
102	Shire of Dundas	RTS	683.68
103	Shire of Kellerberrin	RAS	682.43
104	Shire of Wongan-Ballidu	RAS	680.50
105	Shire of Kojonup	RAS	678.75
106	Shire of Chapman Valley	RAS	678.47
107	Shire of Kulin	RAS	676.67
108	Shire of Perenjori	RAS	673.18
109	Shire of Cuballing	RAS	671.11
110	Shire of West Arthur	RAS	671.06
111	Shire of Coolgardie	RTL	670.40
112	Shire of Dalwallinu	RAS	669.16
113	Shire of Koorda	RAS	667.89
114	Shire of Wickopin	RAS	667.69
115	Shire of Woodanilling	RAS	666.07
116	Shire of Mukinbudin	RAS	662.59
117	Shire of Morawa	RAS	659.58
118	Shire of Jerramungup	RAS	658.97

Rank	Council name	Classification	\$ per km
119	Shire of Kondinin	RAS	658.60
120	Shire of Dowerin	RAS	655.45
121	Shire of Tammin	RAS	652.99
122	Shire of Westonia	RAS	651.43
123	Shire of Narembeen	RAS	640.17
124	Shire of Lake Grace	RAS	629.88
125	Shire of Mount Magnet	RTS	622.46
126	Shire of Kent	RAS	614.59
127	Shire of Menzies	RTS	600.82
128	Shire of Murchison	RTX	595.11
129	Shire of Leonora	RTM	582.14
130	Shire of Mount Marshall	RAS	579.52
131	Shire of Yilgarn	RAS	577.39
132	Shire of Yalgoo	RTX	576.62
133	Shire of Upper Gascoyne	RTX	565.73
134	Shire of Meekatharra	RTM	562.05
135	Shire of Sandstone	RTX	552.80
136	Shire of Wiluna	RTS	526.83
137	Shire of Laverton	RTM	267.78

Table 59 2021–22 South Australian councils ranked by funding per capita – general purpose grant

The state average general purpose grant per capita for South Australia in 2021–22 is **\$75.52**.

Rank	Council name	Classification	\$ per capita
1	Maralinga Tjarutja	RTX	1,670.20
2	District Council of Orroroo Carrieton	RAS	1,196.73
3	District Council of Karoonda East Murray	RAS	1,142.33
4	Wudinna District Council	RAS	996.89
5	District Council of Kimba	RAS	991.31
6	District Council of Peterborough	RAS	813.18
7	District Council of Franklin Harbour	RAS	811.32
8	District Council of Elliston	RAS	753.93
9	Yalata Anangu Aboriginal Corporation	RTX	742.42
10	The Flinders Ranges Council	RAS	736.37
11	District Council of Streaky Bay	RAM	693.44
12	District Council of Cleve	RAS	626.94
13	District Council of Ceduna	RAM	605.52
14	Regional Council of Goyder	RAM	600.33
15	Outback Communities Authority	RTM	589.77
16	District Council of Mount Remarkable	RAM	586.58
17	Southern Mallee District Council	RAM	570.76
18	Anangu Pitjantjatjara Inc	RTM	520.36
19	District Council of Coober Pedy	URS	478.32
20	Tatiara District Council	RAL	461.80
21	Coorong District Council	RAL	436.56
22	Nipapanha Community Aboriginal Corporation	RTX	396.94
23	Kangaroo Island Council	RAM	387.29
24	Mid Murray Council	RAL	382.10
25	Naracoorte Lucindale Council	RAL	334.10
26	Northern Areas Council	RAM	319.14
27	District Council of Loxton Waikerie	RAV	318.95
28	Wakefield Regional Council	RAL	299.65
29	Renmark Paringa Council	RAL	266.17
30	Wattle Range Council	RAV	260.30
31	Port Pirie Regional Council	RAV	244.55
32	Gerard Community Council Aboriginal Corporation	RTX	233.77
33	Berri Barmera Council	RAV	231.38
34	Corporation of the City of Port Augusta	URS	213.01
35	Corporation of the City of Whyalla	URS	209.25
36	District Council of Grant	RAL	197.34

Rank	Council name	Classification	\$ per capita
37	Kingston District Council	RAM	184.06
38	District Council of Tumby Bay	RAM	176.42
39	Rural City of Murray Bridge	URS	160.38
40	Adelaide Plains Council	RAL	139.40
41	Copper Coast Council	RAV	127.19
42	City of Mount Gambier	URS	122.71
43	City of Playford	UFL	117.01
44	Barunga West Council	RAM	114.19
45	Yorke Peninsula Council	RAV	112.11
46	Clare & Gilbert Valleys Council	RAL	105.86
47	City of Port Lincoln	URS	105.67
48	District Council of Lower Eyre Peninsula	RAL	98.21
49	Town of Gawler	UFS	67.01
50	Municipal Council of Roxby Downs	URS	58.65
51	City of Salisbury	UDV	50.01
52	The Barossa Council	UFS	45.64
53	Alexandrina Council	UFS	44.72
54	Light Regional Council	RAV	43.85
55	City of Onkaparinga	UFV	37.41
56	District Council of Yankalilla	RSG	36.52
57	District Council of Mount Barker	URM	23.13
58	City of Victor Harbor	URS	22.79
59	Adelaide Hills Council	UFM	22.66
59	City of Burnside	UDM	22.66
59	City of Charles Sturt	UDL	22.66
59	City of Holdfast Bay	UDM	22.66
59	City of Mitcham	UDM	22.66
59	City of Port Adelaide Enfield	UDV	22.66
59	City of Prospect	UDS	22.66
59	Corporation of the City of Tea Tree Gully	UDL	22.66
59	City of West Torrens	UDM	22.66
59	Corporation of the City of Campbelltown	UDM	22.66
59	Corporation of the City of Marion	UDL	22.66
59	Corporation of the City of Norwood Payneham & St Peters	UDM	22.66
59	Corporation of the City of Unley	UDM	22.66
59	Corporation of the Town of Walkerville	UDS	22.66
59	District Council of Robe	RAS	22.66
59	The Corporation of the City of Adelaide	UCC	22.66

Table 60 2021–22 South Australian councils ranked by funding per km – local roads grant

The state average local road grant per km for South Australia in 2021–22 is **\$593.04**.

Rank	Council name	Classification	\$ per km
1	Renmark Paringa Council	RAL	4,784.73
2	City of Prospect	UDS	2,703.94
3	Corporation of the City of Unley	UDM	2,644.88
4	Corporation of the City of Marion	UDL	2,643.88
5	Corporation of the City of Norwood Payneham & St Peters	UDM	2,597.03
6	Corporation of the Town of Walkerville	UDS	2,582.03
7	City of Holdfast Bay	UDM	2,510.50
8	The Corporation of the City of Adelaide	UCC	2,490.93
9	City of West Torrens	UDM	2,457.80
10	Corporation of the City of Campbelltown	UDM	2,427.35
11	City of Charles Sturt	UDL	2,412.92
12	City of Burnside	UDM	2,327.70
13	City of Port Adelaide Enfield	UDV	2,288.65
14	City of Playford	UFL	2,278.83
15	City of Salisbury	UDV	2,209.51
16	Corporation of the City of Tea Tree Gully	UDL	2,169.72
17	City of Mitcham	UDM	2,157.74
18	City of Mount Gambier	URS	2,031.89
19	Municipal Council of Roxby Downs	URS	1,861.56
20	Town of Gawler	UFS	1,857.15
21	District Council of Lower Eyre Peninsula	RAL	1,833.11
22	City of Onkaparinga	UFV	1,824.33
23	City of Port Lincoln	URS	1,589.69
24	Corporation of the City of Whyalla	URS	1,518.55
25	Kangaroo Island Council	RAM	1,120.40
26	District Council of Mount Barker	URM	905.76
27	The Barossa Council	UFS	823.03
28	City of Victor Harbor	URS	801.18
29	Adelaide Hills Council	UFM	788.98
30	Yalata Anangu Aboriginal Corporation	RTX	788.16
31	Corporation of the City of Port Augusta	URS	778.20
32	Copper Coast Council	RAV	715.66
33	Rural City of Murray Bridge	URS	585.65
34	Kingston District Council	RAM	577.50
35	Berri Barmera Council	RAV	527.95
36	Alexandrina Council	UFS	506.76
37	Tatiara District Council	RAL	466.07

Rank	Council name	Classification	\$ per km
38	District Council of Elliston	RAS	413.12
39	Coorong District Council	RAL	404.06
40	Port Pirie Regional Council	RAV	397.86
41	District Council of Loxton Waikerie	RAV	368.04
42	Light Regional Council	RAV	365.17
43	Southern Mallee District Council	RAM	350.02
44	District Council of Yankalilla	RSG	349.94
45	Naracoorte Lucindale Council	RAL	346.53
46	District Council of Grant	RAL	339.87
47	District Council of Franklin Harbour	RAS	323.03
48	Adelaide Plains Council	RAL	317.45
49	District Council of Streaky Bay	RAM	311.25
50	District Council of Karoonda East Murray	RAS	304.33
51	District Council of Ceduna	RAM	298.16
52	District Council of Cleve	RAS	296.34
53	District Council of Robe	RAS	288.85
54	District Council of Tumby Bay	RAM	278.89
55	The Flinders Ranges Council	RAS	276.20
56	Wudinna District Council	RAS	273.62
57	Wattle Range Council	RAV	256.66
58	Barunga West Council	RAM	249.67
59	Clare & Gilbert Valleys Council	RAL	247.43
60	Yorke Peninsula Council	RAV	242.24
61	Regional Council of Goyder	RAM	236.90
62	District Council of Peterborough	RAS	230.22
63	Wakefield Regional Council	RAL	228.67
64	Mid Murray Council	RAL	224.62
65	Northern Areas Council	RAM	212.27
66	District Council of Mount Remarkable	RAM	207.24
67	District Council of Kimba	RAS	204.73
68	District Council of Orroroo Carrieton	RAS	182.01
69	District Council of Coober Pedy	URS	126.82
70	Anangu Pitjantjatjara Inc	RTM	54.98
71	Gerard Community Council Aboriginal Corporation	RTX	0.00
71	Maralinga Tjarutja	RTX	0.00
71	Nipapanha Community Aboriginal Corporation	RTX	0.00
71	Outback Communities Authority	RTM	0.00

Table 61 2021–22 Tasmanian councils ranked by funding per capita – general purpose grant

The state average general purpose grant per capita for Tasmania in 2021–22 is **\$78.54**.

Rank	Council name	Classification	\$ per capita
1	Flinders Council	RAS	811.11
2	King Island Council	RAS	596.10
3	Central Highlands Council	RAM	516.50
4	West Coast Council	RAM	386.12
5	Southern Midlands Council	RAL	322.33
6	Kentish Council	RAL	260.28
7	Dorset Council	RAL	250.62
8	Break O'Day Council	RAL	229.72
9	Tasman Council	RAM	219.33
10	George Town Council	RAL	184.48
11	Circular Head Council	RAL	171.65
12	Derwent Valley Council	RAV	149.84
13	Waratah/Wynyard Council	RAV	143.36
14	Huon Valley Council	RAV	123.67
15	Meander Valley Council	RAV	115.88

Rank	Council name	Classification	\$ per capita
16	Central Coast Council	URS	115.22
17	West Tamar Council	UFS	101.85
18	Northern Midlands Council	RAV	96.11
19	Sorell Council	RAV	92.31
20	Latrobe Council	RAV	88.89
21	Brighton Council	UFS	85.75
22	Burnie City Council	URS	71.22
23	Devonport City Council	URS	52.62
24	Glamorgan Spring Bay Council	RAM	42.97
25	Glenorchy City Council	UFM	23.57
26	Clarence City Council	UFM	23.56
26	Hobart City Council	UCC	23.56
26	Kingborough Council	UFM	23.56
26	Launceston City Council	URM	23.56

Table 62 2021–22 Tasmanian councils ranked by funding per km – local roads grant

The state average local road grant per km for Tasmania in 2021–22 is **\$3,137.08**.

Rank	Council name	Classification	\$ per km
1	Hobart City Council	UCC	5,726.62
2	Glenorchy City Council	UFM	4,946.16
3	Devonport City Council	URS	4,799.71
4	West Coast Council	RAM	4,310.13
5	Launceston City Council	URM	4,246.41
6	Clarence City Council	UFM	3,887.61
7	Burnie City Council	URS	3,850.47
8	Brighton Council	UFS	3,598.62
9	George Town Council	RAL	3,432.14
10	Central Coast Council	URS	3,216.57
11	Break O'Day Council	RAL	3,189.37
12	Sorell Council	RAV	3,176.35
13	West Tamar Council	UFS	3,090.28
14	Kingborough Council	UFM	3,081.59
15	Dorset Council	RAL	3,017.63

Rank	Council name	Classification	\$ per km
16	Latrobe Council	RAV	2,996.01
17	Tasman Council	RAM	2,988.06
18	Glamorgan Spring Bay Council	RAM	2,958.62
19	Waratah/Wynyard Council	RAV	2,937.78
20	Meander Valley Council	RAV	2,900.15
21	Circular Head Council	RAL	2,897.73
22	Derwent Valley Council	RAV	2,878.87
23	Kentish Council	RAL	2,783.82
24	Northern Midlands Council	RAV	2,749.82
25	King Island Council	RAS	2,569.23
26	Huon Valley Council	RAV	2,566.72
27	Flinders Council	RAS	2,406.82
28	Southern Midlands Council	RAL	2,237.21
29	Central Highlands Council	RAM	2,190.91

Table 63 2021–22 Northern Territory councils ranked by funding per capita – general purpose grant

The state average general purpose grant per capita for Northern Territory in 2021–22 is **\$77.52**.

Rank	Council name	Classification	\$ per capita	Rank	Council name	Classification	\$ per capita
1	East Arnhem Regional Council	RTL	348.96	10	Belyuen Community Government Council	RTX	138.63
2	MacDonnell Regional Council	RTL	299.85	11	Katherine Town Council	URS	49.77
3	Roper Gulf Regional Council	RTL	290.68	12	Alice Springs Town Council	URS	26.80
4	Central Desert Regional Council	RTL	256.77	13	Wagait Shire Council	RTS	24.05
5	Barkly Regional Council	RTL	254.62	14	City of Palmerston	URM	23.88
6	West Arnhem Regional Council	RTL	200.20	15	City of Darwin	UCC	23.25
7	Victoria Daly Regional Council	RTL	156.23	16	Coomalie Community Government Council	RTM	23.25
8	West Daly Regional Council	RTL	154.76	16	Litchfield Council	UFS	23.25
9	Tiwi Islands Regional Council	RTM	146.07	17	Local Government Association of the Northern Territory Inc	N/A	0.00

Table 64 2021–22 Northern Territory councils ranked by funding per km – local roads grant

The state average local road grant per km for the Northern Territory in 2021–22 is **\$1,497.76**.

Rank	Council name	Classification	\$ per km	Rank	Council name	Classification	\$ per km
1	Alice Springs Town Council	URS	4,239.16	11	Roper Gulf Regional Council	RTL	1,258.52
2	Litchfield Council	UFS	3,900.63	12	West Daly Regional Council	RTL	1,237.25
3	Katherine Town Council	URS	3,860.85	13	Barkly Regional Council	RTL	1,112.25
4	City of Darwin	UCC	3,814.24	14	West Arnhem Regional Council	RTL	1,072.32
5	Wagait Shire Council	RTS	3,550.35	15	Local Government Association of the Northern Territory Inc	N/A	893.26
6	City of Palmerston	URM	3,386.37	16	MacDonnell Regional Council	RTL	699.68
7	Coomalie Community Government Council	RTM	2,789.26	17	Central Desert Regional Council	RTL	698.95
8	Victoria Daly Regional Council	RTL	2,281.62	18	Belyuen Community Government Council	RTX	428.81
9	East Arnhem Regional Council	RTL	1,414.83				
10	Tiwi Islands Regional Council	RTM	1,260.62				



Appendix F

Australian Classification of Local Governments

The Australian Classification of Local Governments (ACLG) was first published in September 1994. The ACLG categorises local governing bodies across Australia using the population, the population density and the proportion of the population that is classified as urban, for each council.

The local governing bodies included in the classification system are those that receive funding under the Financial Assistance Grant program as defined under the Act. Therefore, bodies, declared, by the Australian Government Minister responsible for local government (the Federal Minister), on the advice of the state minister, to be local governing bodies for the purposes of the Act, are included in the ACLG.

The classification system generally involves three steps. Each step allocates a prefix formed from letters of the alphabet to develop a three-letter identifier for each class of local government. There are a total of 22 categories. For example, a medium-sized council in a rural, agricultural area would be classified as RAM – rural, agricultural, medium. If it were remote, however, it would be classified as RTM – rural, remote, medium. Table 65 provides information on the structure of the classification system.

Notwithstanding the capacity of the ACLG system to group like councils, it should be noted that there remains considerable scope for divergence within these categories, and for this reason the figures in Appendix D should be taken as a starting point for enquiring into grant outcomes. This divergence can occur because of factors including isolation, population distribution, local economic performance, daily or seasonal population changes, the age profile of the population and geographic differences. The allocation of the general purpose grant between states on an equal per capita basis and the local road grant on a fixed shares basis can also cause divergence.

To ensure the ACLG is kept up-to-date, Local Government Grants Commissions advise of any changes to the actual location of councils, within the ACLG, in their state at the end of each financial year.

The Department of Infrastructure, Transport, Regional Development and Communications is planning to phase out the ACLG framework and to replace it with the Australian Statistical Geography Standard's (ASGS') remoteness classifications, produced by the Australian Bureau of Statistics. If you have any questions or would like to provide comments or feedback, please email local.government@infrastructure.gov.au.

Table 65 Structure of the classification system

Step 1	Step 2	Step 3	Identifiers	Category
URBAN (U)				
Population more than 20,000 OR if population less than 20,000 EITHER population density more than 30 persons per square kilometre OR 90 per cent or more of the local governing body population is urban.	CAPITAL CITY (CC)	Not applicable		UCC
	METROPOLITAN DEVELOPED (D) Part of an urban centre of more than 1,000,000 or population density more than 600 per square kilometre	SMALL (S)	up to 30,000	UDS
		MEDIUM (M)	30,001 to 70,000	UDM
		LARGE (L)	70,001 to 120,000	UDL
		VERY LARGE (V)	more than 120,000	UDV
	REGIONAL TOWNS/CITY (R) Part of an urban centre with population less than 1,000,000 and predominantly urban in nature	SMALL (S)	up to 30,000	URS
		MEDIUM (M)	30,001 to 70,000	URM
		LARGE (L)	70,001 to 120,000	URL
		VERY LARGE (V)	more than 120,000	URV
	FRINGE (F) A developing LGA on the margin of a developed or regional urban centre	SMALL (S)	up to 30,000	UFS
		MEDIUM (M)	30,001 to 70,000	UFM
		LARGE (L)	70,001 to 120,000	UFL
		VERY LARGE (V)	more than 120,000	UFV
RURAL (R)				
A local governing body with population less than 20,000 AND population density less than 30 persons per square kilometre AND less than 90 per cent of local governing body is urban.	SIGNIFICANT GROWTH (SG) Average annual population growth more than 3 per cent, population more than 5,000 and not remote	Not applicable		RSG
	AGRICULTURAL (A)	SMALL (S)	up to 2,000	RAS
		MEDIUM (M)	2,001 to 5,000	RAM
		LARGE (L)	5,001 to 10,000	RAL
		VERY LARGE (V)	10,001 to 20,000	RAV
	REMOTE (T)	EXTRA SMALL (X)	up to 400	RTX
		SMALL (S)	401 to 1,000	RTS
		MEDIUM (M)	1,001 to 3,000	RTM
		LARGE (L)	3,001 to 20,000	RTL

Table 66 Categories of local governments by state at July 2021

ACLG categories	NSW	Vic	Qld	WA	SA	Tas	NT*	Australia
Urban Capital City (UCC)	1	1	1	1	1	1	1	7
Urban Developed Small (UDS)	1	0	0	10	2	0	0	13
Urban Developed Medium (UDM)	5	0	0	5	7	0	0	17
Urban Developed Large (UDL)	3	7	0	3	3	0	0	16
Urban Developed Very Large (UDV)	14	15	0	3	2	0	0	34
Urban Regional Small (URS)	8	5	5	3	8	4	2	35
Urban Regional Medium (URM)	18	11	8	5	1	2	0	45
Urban Regional Large (URL)	8	3	4	0	0	0	0	15
Urban Regional Very Large (URV)	3	1	9	0	0	0	0	13
Urban Fringe Small (UFS)	0	1	1	1	3	1	1	8
Urban Fringe Medium (UFM)	2	3	2	4	1	2	0	14
Urban Fringe Large (UFL)	2	1	0	1	1	0	0	5
Urban Fringe Very Large (UFV)	5	6	0	3	1	0	0	15
Rural Significant Growth (RSG)	0	0	0	1	0	0	0	1
Rural Agricultural Small (RAS)	2	0	0	51	10	1	0	64
Rural Agricultural Medium (RAM)	13	1	1	10	10	4	0	39
Rural Agricultural Large (RAL)	22	7	0	9	11	6	0	55
Rural Agricultural Very Large (RAV)	19	17	8	4	7	7	1	63
Rural Remote Extra Small (RTX)	3	0	7	5	4	0	2	21
Rural Remote Small (RTS)	0	0	10	5	0	1	1	17
Rural Remote Medium (RTM)	1	0	13	5	2	0	2	23
Rural Remote Large (RTL)	1	0	8	8	0	0	7	24
Total	131	79	77	137	74	29	17	544

Notes: * NT total excludes Road Trust Account



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