

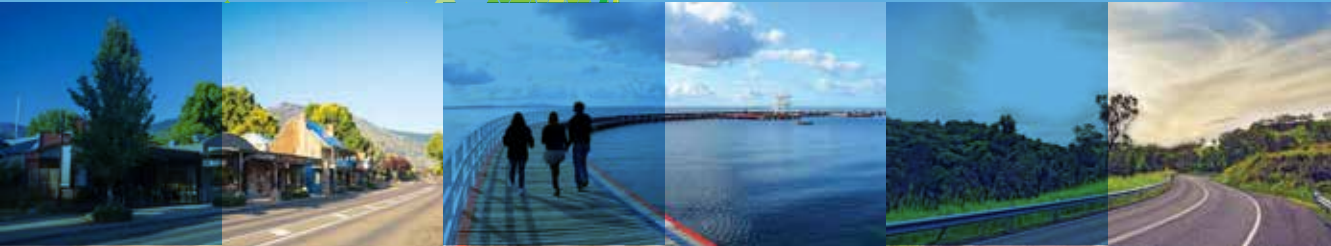


Australian Government

Department of Infrastructure, Transport,
Regional Development and Communications



Local Government National Report



2017-18

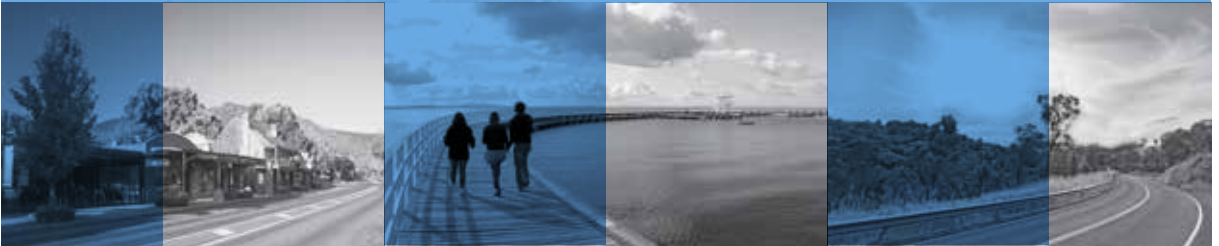
2017-18 report on the operation of the *Local Government (Financial Assistance) Act 1995*



Australian Government

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

Local Government National Report



2017-18

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Transmittal letter



Australian Government

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

**Secretary
Simon Atkinson**

EC21-000251

The Hon Mark Coulton MP
Minister for Regional Health, Regional Communications and Local Government
Parliament House
CANBERRA ACT 2600

Dear Minister

Tabling of the 2017-18 Local Government National Report

In accordance with Section 16 of the *Local Government (Financial Assistance) Act 1995* (the Act), I provide you with the 2017-18 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 blue ink, appearing to read 'Simon Atkinson'.

Simon Atkinson, Secretary

8 June 2021

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01

Local Government in Australia



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 2017–18, 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 include:

1. 535 local governments;
2. 10 declared local governing bodies, consisting of five Indigenous local governments and the Outback Areas Community Development Trust in South Australia; the Local Government Association of Northern Territory; and the Silverton, Tibooburra villages, and Lord Howe Island in New South Wales; and
3. 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 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 2018 was 24,992,400, an increase of 390,500 persons or 1.6 per cent from 30 June 2017. All states and territories, except the Northern Territory, experienced positive growth for the year ending 30 June 2018. Victoria and the Australian Capital Territory recorded the fastest growth rate (2.2 per cent) while the Northern Territory recorded the lowest (-0.1 per cent).

The Australian Bureau of Statistics publishes information on Australia's population through the *Australian Demographic Statistics, ABS cat. No 3101.0*.

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 for Local Government 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

In 2017–18, the interests of local government were represented through a number of groups, including the Australian Local Government Association and the Council of Australian Governments.

Council of Australian Governments

The Council of Australian Governments (COAG) comprised the Prime Minister, state premiers, territory chief ministers and the Australian Local Government Association President. COAG was established in May 1992 and its role was to initiate, develop and monitor the implementation of policy reforms of national significance.

COAG established inter-governmental agreements that signified the commitment of jurisdictions to implement its decisions. In many instances, these agreements are precursors to the passage of legislation at the Commonwealth, state and territory levels. Further information is available at www.coag.gov.au.

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. It represents the interests of local government through its participation in the Council of Australian Governments and other ministerial councils. Further information is available at www.alga.asn.au.

Australian Government grants to local government

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

In 2017–18, the Australian Government provided \$2.4 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 \$1.2 billion of the budgeted allocation for 2018–19 and paid this funding to states and territories in June 2018. The means of distributing funding provided under the Financial Assistance Grant program is discussed in Chapter 2. Allocations to local governing bodies for 2017–18 are provided in Appendix D.

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

- national specific purpose payments 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, consisting of GST payments and other general revenue assistance.

The national specific purpose payments (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 specific purpose payments 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 2017–18, total specific purpose payments were estimated in the 2017–18 Budget to total \$55.9 billion, an increase of \$66 million compared with \$55.8 billion in 2016–17 (*Australian Government, Budget measures: Budget paper Number 3, 2017–18*).

Local government finances

Share of taxation revenue by sphere of government

Local government's taxation revenue increased by 4 per cent from 2016-17 to \$18.1 billion in 2017-18. Local government's taxation revenue in 2017-18 amounted to 3.4 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 2017-18 (*Australian Bureau of Statistics, Taxation Revenue, Australia, 2017-18, ABS cat. Number 5506.0*). Table 1 provides further information on the local government share of taxation revenue in 2017-18.

Table 1 Share of taxation revenue by sphere of government and source, 2017-18

Revenue source	Federal %	State %	Local %	Total %
Taxes on income	59.1	–	–	59.1
Employers payroll taxes	0.2	4.6	–	4.7
Taxes on property	–	2.3	3.4	5.7
Taxes on provision of goods and services	20.1	6.6	–	26.8
Taxes on use of goods and performance activities	1.4	2.4	–	3.7
Total	80.8	15.9	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, 2017-18, Total Taxation Revenue, ABS cat. Number 5506.0.

Local government revenue sources

In 2017-18, councils raised 90.4 per cent of their own revenue, with grants and subsidies making up the remaining 9.6 per cent (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 including their population size, rating base and ability to levy user charges, affects the ability of a council to raise revenue.

Table 2 Local government revenue sources by jurisdiction in 2017–18

Revenue source		NSW	Vic	Qld	WA	SA	Tas	NT	Total
Own-source revenue									
Taxation	\$m	4 531	5 189	3 966	2 353	1 550	401	133	18 122
	%	30.4	47.8	32.4	48.9	62.2	46.6	20.5	38.7
Sales of goods and services	\$m	4 922	1 924	4 083	991	428	179	109	12 635
	%	33.0	17.7	33.4	20.6	17.2	20.8	16.6	27.0
Interest	\$m	321	108	217	118	20	12	8	803
	%	2.2	1.0	1.8	2.5	0.8	1.4	1.2	1.7
Other*	\$m	3 436	2 517	3 285	843	255	142	290	10 767
	%	23.0	23.2	26.9	17.5	10.2	16.5	44.7	23.0
Total own-source revenue		13 210	9 738	11 551	4 305	2 253	734	540	42 327
Grants and subsidies	\$m	1 700	1 110	683	506	238	125	110	4 471
	%	11.4	10.2	5.6	10.5	9.6	14.5	16.9	9.6
Total grant revenue		1 700	1 110	683	506	238	125	110	4 471
Total revenue	\$m	14 910	10 847	12 234	4 810	2 490	860	649	46 800
	%	100	100	100	100	100	100	100	100

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, 2017–18, ABS cat. Number 5512.0.

Local government revenue – taxes

One way local governments raise revenue is through rates on property. In 2017–18, 38.7 per cent of local government revenue nationally came from rates. The proportion of revenue from rates varied notably between jurisdictions – from a high of 62.2 per cent for South Australia to a low of 20.5 per cent for the Northern Territory – and 23 per cent of local government revenue was classified as ‘other’ (Table 2).

Rates in each state and 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

On average, local government received 27 per cent of its revenue in 2017–18 from the sale of goods and services (Table 2).

Councils in the Northern Territory relied more on government grants and subsidies than councils in other jurisdictions, as they raised only 83.2 per cent of their own revenue. In the remaining states, the proportion of revenue raised from own sources ranged from 85.3 per cent for Tasmanian councils to 94.4 per cent for Queensland councils (Table 2).

Local government expenditure

Local government expenditure is primarily on general public services (23.4 per cent) followed by transport (21.5 per cent) and recreation, culture and religion (16.3 per cent) (Table 3).

Table 3 Local government expenditure by purpose and jurisdiction in 2017-18

<i>Expenditure</i>		<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>NT</i>	<i>Total</i>
General public services	\$m	2 818	1 643	2 812	887	157	165	193	8 676
	%	25.0	19.6	28.9	21.3	7.2	22.4	38.2	23.4
Public order and safety	\$m	365	200	164	146	45	9	24	953
	%	3.2	2.4	1.7	3.5	2.1	1.2	4.8	2.6
Economic affairs	\$m	603	406	381	185	156	36	29	1 795
	%	5.4	4.8	3.9	4.4	7.1	4.9	5.7	4.9
Environmental protection	\$m	2 139	1 223	1 169	289	396	109	21	5 346
	%	19.0	14.6	12.0	6.9	18.1	14.8	4.2	14.4
Housing and community amenities	\$m	1 108	574	1 312	418	220	60	62	3 754
	%	9.8	6.8	13.5	10.0	10.0	8.2	12.3	10.1
Health	\$m	87	172	53	71	61	11	7	461
	%	0.8	2.1	0.5	1.7	2.8	1.5	1.4	1.2
Recreation, culture and religion	\$m	1 668	1 532	1 202	919	535	128	62	6 046
	%	14.8	18.3	12.3	22.0	24.4	17.4	12.3	16.3
Education	\$m	79	128	8	5	-	-	1	220
	%	0.7	1.5	0.1	0.1	-	-	0.2	0.6
Social protection	\$m	411	940	54	191	126	21	35	1 779
	%	3.6	11.2	0.6	4.6	5.7	2.9	6.9	4.8
Transport	\$m	1 991	1 571	2 582	1 060	497	196	71	7 969
	%	17.7	18.7	26.5	25.4	22.7	26.7	14.1	21.5
Total	\$m	11 269	8 390	9 736	4 170	2 193	735	505	36 998
	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Notes: The Australian System of Government Finance Statistics 2015 framework (AGFS15) has been implemented by the ABS from 1 July 2017. Changes to expense categories have been reflected above.

Figures may not add due to rounding.

“-“ represents nil or figure rounded to zero.

Sources: 1. Australian Bureau of Statistics, Taxation Revenue, Australia, 2017-18, Total Taxation Revenue, ABS cat. Number 5512.0.

2. Australian Bureau of Statistics, Australian System of Government Finance Statistics: Concepts, Sources and Methods, 2015, ABS cat. Number 5514.0.

Assets and liabilities

In 2017-18, local government in Australia had a net worth of \$466.1 billion, with assets worth \$485.8 billion and liabilities worth \$19.7 billion (Table 4 and Table 5).

On a state basis, only councils in South Australia had a net debt position as at 30 June 2017, while all the other states had a net surplus (Table 5).

Table 4 Local government assets in 2017–18

Assets \$m	NSW	Vic	Qld	WA	SA	Tas	NT	Total	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m		
Financial	Cash and deposits	2 318	1 423	4 261	2 952	52	427	254	11 686
	Advances paid	0	4	0	6	87	4	0	101
	Investments, loans and placements	0	3 782	1 261	251	22	31	0	5 347
	Equity	0	0	5 444	283	103	1 637	0	7 466
	Other non-equity assets	12 173	1 042	2 592	365	253	56	130	16 611
	Total	14 491	6 251	13 558	3 856	516	2 154	384	41 211
Non-financial	Land and fixed assets	157 778	101 852	104 146	44 562	24 302	9 216	2 557	444 414
	Other non-financial assets	160	0	0	0	0	0	0	160
	Total	157 938	101 852	104 146	44 562	24 302	9 216	2 557	444 572
Total assets	172 428	108 103	117 704	48 418	24 819	11 370	2 941	485 783	

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

“–” represents nil or figure rounded to zero.

Source: Australian Bureau of Statistics, Government Finance Statistics, Australia, 2017–18, ABS cat. Number 5512.0.

Table 5 Local government liabilities and net worth and debt in 2017–18

Liabilities	NSW	Vic	Qld	WA	SA	Tas	NT	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Deposits held	66	344	8	20	177	10	0	625
Advances received	5	5	0	1	259	0	0	270
Other loans and placements	3 248	1 029	5 378	674	124	146	7	10 607
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	2 923	1 669	2 017	764	499	177	131	8 181
Total liabilities	6 242	3 047	7 403	1 458	1 060	334	139	19 684
Net Financial Worth†	166 185	105 056	110 301	46 960	23 759	11 036	2 803	466 099
Net Debt*	1 761	3 204	6 155	2 398	-543	1 821	245	21 527

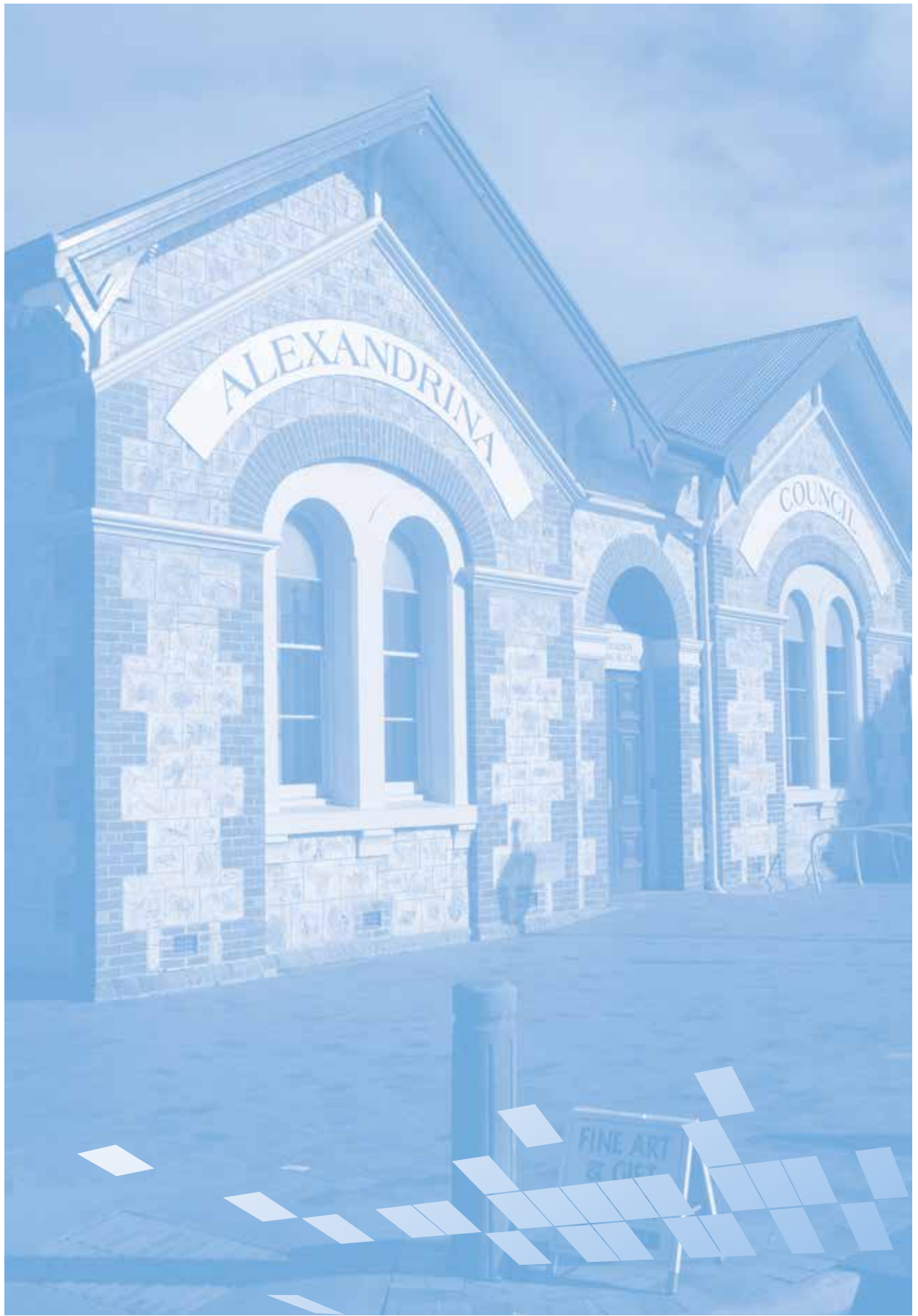
Notes: These figures may not add to totals due to rounding.

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

* Net debt figures are 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.

“–” represents nil or figure rounded to zero.

Source: Australian Bureau of Statistics, Government Finance Statistics, Australia, 2017–18, ABS cat. Number 5512.0.



Financial Assistance Grant program



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 an equalisation basis.

The *Local Government (Financial Assistance) Act 1986* (Cth) introduced a new indexation formula which included the consumer price index and population growth. In addition, local government grants commissions were introduced to determine distributions to individual councils. These took into account horizontal equalisation and a 30 per cent minimum grant principle.

The 1990 Special Premiers' Conference determined that a local road component would be provided from 1 July 1991, in addition to the 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 Act introduced the untied local road component and formalised a set of National Principles. 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.

Both components are paid quarterly to the states and territories and are to be passed on to local government without delay. The Financial Assistance Grant program is untied in the hands of local government, which means local governments are free to spend the funding according to local priorities.

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.

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 2017–18

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	1 990 534 300
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

Table 6 continued

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	792 547 188	351 676 511	1 144 223 699
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
Total	38 226 277 262	13 972 301 306	52 198 578 568

Notes: a. Grants to the Northern Territory under the program commenced in 1979–80, with the initial allocation being 1 061 733.

b. Before 1991–92, local road funding was provided as tied grants under different legislation

c. 1992–93, part of the road grant entitlement of the Tasmanian and Northern Territory governments was reallocated to local government in these jurisdictions.

d. 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 and Communications.

Overview of current arrangements

The following arrangements operated when the 2017–18 funding distribution was determined under the Financial Assistance Grant program to local government:

- Before the start of the financial year, the Australian Government estimated the quantum of general purpose and local road components that local government was entitled to nationally. This is equal to the national grant entitlement for the previous financial year multiplied by the estimated escalation factor of changes in population and the consumer price index.
- States and territories were advised 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 distributions among local governing bodies in their jurisdiction. 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 Australian Government Minister (the Minister) responsible for local government.
- When satisfied all legislative requirements have been met, the Minister approved payment of the recommended allocations to local governing bodies in that jurisdiction.
- The Australian Government paid the grant in quarterly instalments to the states and territories, which, without undue delay, passed them on to local government as untied grants.
- 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 was determined.

- Any difference between the estimated and actual entitlements is combined with the estimated entitlement in the next year to determine that year's cash payment. This is referred to as the adjustment.

Determining the quantum of the grant

Section 8 of the Act specifies the formula that 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 (below) 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.

- (2) 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 2017-18 and 2018-19

Calculation of the 2017-18 actual entitlement and the 2018-19 estimated entitlement using the final escalation factor (the final factor) and estimated escalation factor (the estimated factor) respectively are set out in Figure 1.

The estimated entitlement for 2017-18 was \$1.2 billion, consisting of \$802.3 million under the general purpose component and \$364 million under the identified local road component (see Table 8).

In the 2018–19 Budget, the Australian Government announced their decision to bring forward \$1.3 billion of the 2018–19 estimate into 2017–18. This resulted in payments of \$1.3 billion to jurisdictions for immediate distribution to local government. This funding consisted of a general purpose component of \$850.8 million and a local road component of \$377.5 million. The brought forward payment was provided for under amendments made to the Act in 2009 (see Table 8).

The final entitlement for 2017–18 was \$2.4 billion. This consisted of a general purpose component of \$1.7 billion and an identified local road component of \$741.4 million (see Table 7).

The negative adjustment of \$0.3 million was applied to the estimated entitlement in the following year (2018–19). The adjustment reflects the difference between the Treasurer's estimate at the beginning of the financial year and the final entitlement at the end of the financial year.

Under the Act, population estimates are applied to the estimated and final entitlements. As such, jurisdictions experiencing a negative population change from one year to the next will receive a declining share of the general purpose component. In 2017–18, both Victoria and Queensland experienced a decreasing population share.

Table 7 Final entitlements and adjustments for 2017-18

	2016-17 final entitlement	2017-18 final factor	2017-18 final entitlement	2017-18 estimated entitlement	2017-18 adjustment*
	\$		\$	\$	\$
General purpose	2 405 539 222	x 0.6946	= 1 670 887 544	less 820 288 875	= 850 598 669
Local road	1 067 408 546	x 0.6946	= 741 421 976	less 363 986 314	= 377 435 662
Total	3 472 947 768		2 412 309 520	less 1 184 275 189	= 1 228 034 331
General purpose			31 December 2016 population*		
NSW	769 594 363	7 798 246	534 495 517	less 262 353 392	= 272 142 125
Vic	610 913 677	6 242 429	427 859 074	less 210 084 386	= 217 774 688
Qld	482 240 463	4 883 572	334 722 364	less 164 311 341	= 170 411 023
WA	255 577 987	2 563 373	175 694 813	less 86 392 145	= 89 302 668
SA	170 987 328	1 717 382	117 710 185	less 57 766 598	= 59 943 587
Tas	51 705 451	519 802	35 627 478	less 17 463 218	= 18 164 260
NT	24 486 546	246 154	16 871 513	less 8 244 537	= 8 626 976
ACT	40 033 407	407 155	27 906 600	less 13 673 258	= 14 233 342
Total	2 405 539 222	24 378 113	1 670 887 544	less 820 288 875	= 850 598 669
Local road			2017-18 final factor		
NSW	309 688 713	x 0.6946	= 215 109 780	less 105 603 851	= 109 505 929
Vic	220 061 036	x 0.6946	= 152 854 396	less 75 040 813	= 77 813 583
Qld	199 993 253	x 0.6946	= 138 915 314	less 68 197 699	= 70 717 615
WA	163 208 337	x 0.6946	= 113 364 511	less 55 654 043	= 57 710 468
SA	58 661 329	x 0.6946	= 40 746 159	less 20 003 513	= 20 742 646
Tas	56 565 107	x 0.6946	= 39 290 123	less 19 288 702	= 20 001 421
NT	25 003 856	x 0.6946	= 17 367 678	less 8 526 315	= 8 841 363
ACT	34 226 915	x 0.6946	= 23 774 015	less 11 671 378	= 12 102 637
Total	1 067 408 546		741 421 976	less 363 986 314	= 377 435 662

Notes: * Based on statistics provided by the Australian Statistician on 21 June 2018.

Adjustment includes the bring forward payment from 2018-19 paid in June 2017 and indexation inherent in the Treasurer's Determination.

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

Table 8 Estimated entitlements and cash paid in 2017–18

	2016–17 final entitlement	2017–18 estimated factor	2017–18 estimated entitlement	2016–17 adjustment and Bring forward	2017–18 cash payment
	\$		\$	\$	\$
General purpose	2 405 539 222	x 0.341 =	820 288 875	Plus 851 364 737 =	1 671 653 612
Local road	1 067 408 546	x 0.341 =	363 986 314	Plus 377 775 590 =	741 761 904
Total	3 472 947 768		1 184 275 189	Plus 1 229 140 327 =	2 413 415 516
General purpose			31 December 2016 population*		
NSW	769 594 363	7 798 246	262 353 392	Plus 270 941 883 =	533 295 275
Vic	610 913 677	6 242 429	210 084 386	Plus 227 609 108 =	437 693 494
Qld	482 240 463	4 883 572	164 311 341	Plus 169 796 187 =	334 107 528
WA	255 577 987	2 563 373	86 392 145	Plus 82 381 418 =	168 773 563
SA	170 987 328	1 717 382	57 766 598	Plus 59 543 557 =	117 310 155
Tas	51 705 451	519 802	17 463 218	Plus 17 901 694 =	35 364 912
NT	24 486 546	246 154	8 244 537	Plus 8 429 700 =	16 674 237
ACT	40 033 407	407 155	13 673 258	Plus 14 761 190 =	28 434 448
Total	2 405 539 222	24 378 113	820 288 875	Plus 851 364 737 =	1 671 653 612
Local road			2017–18 estimated factor		
NSW	309 688 713	x 0.341 =	105 603 851	Plus 109 604 551 =	215 208 402
Vic	220 061 036	x 0.341 =	75 040 813	Plus 77 883 664 =	152 924 477
Qld	199 993 253	x 0.341 =	68 197 699	Plus 70 781 304 =	138 979 003
WA	163 208 337	x 0.341 =	55 654 043	Plus 57 762 444 =	113 416 487
SA	58 661 329	x 0.341 =	20 003 513	Plus 20 761 330 =	40 764 843
Tas	56 565 107	x 0.341 =	19 288 702	Plus 20 019 434 =	39 308 136
NT	25 003 856	x 0.341 =	8 526 315	Plus 8 849 326 =	17 375 641
ACT	34 226 915	x 0.341 =	11 671 378	Plus 12 113 537 =	23 784 915
Total	1 067 408 546		363 986 314	Plus 377 775 590 =	741 761 904

Notes: * Based on statistics provided by the Australian Statistician on 21 June 2018.

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

Figure 1 Determining the final factor for 2017-18

Under section 8 of the *Local Government (Financial Assistance) Act 1995* (Cwth) (the Act), the unadjusted factor for 2017-18 was calculated as follows:

$$\text{Unadjusted factor} = \frac{\text{Population of Australia at 31 December 2016}}{\text{Population of Australia at 31 December 2015}} \times \frac{\text{Consumer Price Index at March 2018}}{\text{Consumer Price Index at March 2017}}$$

That is:

$$\text{Unadjusted factor} = \frac{24\,378\,113}{24\,009\,961} \times \frac{112.5}{110.5} = 1.0337$$

However, to account for the Australian Government's decision to bring forward the first two quarter payments in 2017-18 to the 2016-17 financial year, the unadjusted factor was adjusted in accordance with section 8(1)(c) of the Act as follows:

$$\text{Unadjusted factor} = \frac{\text{2017-18 unadjusted amount} - \text{2016-17 adjustment amount} + \text{2018-19 adjustment amount}}{\text{2016-17 final entitlement}} \times \frac{1}{\text{Unadjusted factor}}$$

This equates to an adjustment factor of:

$$\text{Adjustment factor} = \frac{2\,365\,829\,245 - 1\,182\,914\,623 + 1\,228\,456\,836}{3\,471\,574\,700} \times \frac{1}{1.0337} = 0.6720$$

Therefore, the final factor for 2017-18 was determined through the multiplication of the unadjusted factor and the adjustment factor as follows:

$$\text{Final factor} = \text{unadjusted factor (1.0337)} \times \text{adjustment factor (0.6720)} = 0.6946$$

Figure 2 Determining the estimated factor for 2018–19

Under section 8 of the *Local Government (Financial Assistance) Act 1995* (Cwth) (the Act), the unadjusted factor for 2018–19 was calculated as follows:

$$\text{Unadjusted factor} = \frac{\text{Population of Australia at 31 December 2017}}{\text{Population of Australia at 31 December 2016}} \times \frac{\text{Consumer Price Index at March 2019}}{\text{Consumer Price Index at March 2018}}$$

That is:

$$\text{Unadjusted factor} = \frac{24\,766\,091}{24\,378\,113} \times \frac{115.0}{112.5} = 1.0385$$

In order to account for the Government's decision to bring forward the first two quarter payments in 2018–19 to the 2017–18 financial year, the unadjusted factor will be adjusted, in accordance with paragraph 8(1)(c) of the Act as follows:

$$\text{Unadjusted factor} = \frac{\text{2018–19 unadjusted amount} - \text{2017–18 adjustment amount}}{\text{2016–17 final entitlement}} \times \frac{1}{\text{Unadjusted amount}}$$

$$\text{Adjustment factor} = \frac{2\,456\,913\,671 - 1\,228\,456\,836}{2\,411\,355\,787} \times \frac{1}{1.0385} = 0.4906$$

The estimated factor for 2018–19 was determined through the multiplication of the unadjusted factor and the adjustment factor as follows:

$$1.0385 \times 0.4906 = 0.5095$$

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.

Consequently, there are three ways in which funding provided under the Financial Assistance Grant program can be reported: an estimated entitlement, a final entitlement and cash paid.

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 (see *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 2017-18 allocations of general purpose and local road grants among jurisdictions is provided in Table 9, while Table 10 provides a comparison to 2016-17 allocations.

Table 9 2017–18 final entitlement allocations of general purpose and local road grants among jurisdictions

State	General purpose (GP)						Local road (LR)					Total grant			
	GP final entitlement	GP bring forward in June 2017	Total GP final and bring forward	% of total GP pool	31 Dec 2016 population*	per capita	LR final entitlement	LR bring forward paid in June 2017	Total LR final and bring forward	% of LR pool	Kilo-metres	% of LR length	\$ per km	Total final entitlement	% of total grant
NSW	262 511 613	271 983 904	534 495 517	32.0%	7 798 246	68.54	105 576 302	109 533 478	215 109 780	29.0%	146 530	22.2%	1 468.03	749 605 297	31.1%
Vic	208 390 544	219 468 530	427 859 074	25.6%	6 242 429	68.54	75 021 237	77 833 159	152 854 396	20.6%	131 184	19.9%	1 165.19	580 713 470	24.1%
Qld	164 213 212	170 509 152	334 722 364	20.0%	4 883 572	68.54	68 179 908	70 735 406	138 915 314	18.7%	149 278	22.6%	930.58	473 637 678	19.6%
WA	86 752 736	88 942 077	175 694 813	10.5%	2 563 373	68.54	55 639 525	57 724 986	113 364 511	15.3%	127 977	19.4%	885.82	289 059 324	12.0%
SA	58 378 786	59 331 399	117 710 185	7.0%	1 717 382	68.54	19 998 294	20 747 865	40 746 159	5.5%	78 198	11.8%	521.06	158 456 344	6.6%
Tas.	17 674 433	17 953 045	35 627 478	2.1%	519 802	68.54	19 283 670	20 006 453	39 290 123	5.3%	14 162	2.1%	2 774.33	74 917 601	3.1%
NT	8 451 191	8 420 322	16 871 513	1.0%	246 154	68.54	8 524 090	8 843 588	17 367 678	2.3%	13 268	2.0%	1 308.99	34 239 191	1.4%
ACT	13 702 364	14 204 236	27 906 600	1.7%	407 155	68.54	11 668 332	12 105 683	23 774 015	3.2%	-	0.0%	-	51 680 615	2.1%
Total	820 074 879	850 812 685	1 670 887 544	100.0%	24 378 113	68.54	377 681 759	383 740 217	741 421 976	100.0%	660 597	100.0%	1 122.35	2 412 309 520	100.0%

Notes: * Excludes other territories comprising Jervis Bay Territory, Christmas Island and the Cocos (Keeling) Islands.

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

Table 10 2017-18 final entitlement and percentage change from 2016-17

State	General purpose (GP)				Local road (LR)				Total entitlement			
	2017-18 final entitlement	2016-17 final entitlement	% change from 2016-17 final entitlement*	2017-18 LR final entitlement	2016-17 LR final entitlement	% change from 2016-17 final entitlement*	2017-18 final entitlement	Total 2016-17 final entitlement	Total 2017-18 final entitlement	% change from 2016-17 final entitlement		
	\$	\$		\$	\$		\$	\$	\$	%		
NSW	534 495 517	769 594 363	-31%	215 109 780	309 688 713	-31%	749 605 297	1 079 283 076	1 079 283 076	-31%		
Vic	427 859 074	610 913 677	-30%	152 854 936	220 061 036	-31%	580 713 470	830 974 713	830 974 713	-30%		
Qld	334 722 364	482 240 463	-31%	138 915 314	199 993 253	-31%	473 637 678	682 233 716	682 233 716	-31%		
WA	175 694 813	255 577 987	-31%	113 364 511	163 208 337	-31%	289 059 324	418 786 324	418 786 324	-31%		
SA	117 710 185	170 987 328	-31%	40 746 159	58 661 329	-31%	158 456 344	229 648 657	229 648 657	-31%		
Tas	35 627 478	51 705 451	-31%	39 290 123	56 565 107	-31%	74 917 601	108 270 558	108 270 558	-31%		
NT	16 871 513	24 486 546	-31%	17 367 678	25 003 856	-31%	34 239 191	49 490 402	49 490 402	-31%		
ACT	27 906 600	40 033 407	-30%	23 774 015	34 226 915	-31%	51 680 615	74 260 322	74 260 322	-30%		
Total	1 670 887 544	2 405 539 222	-31%	741 421 976	1 067 408 546	-31%	2 412 309 520	3 472 947 768	3 472 947 768	-31%		

Notes: * The percentage change from 2016-17 final entitlement to 2017-18 is due to the bring forward from 2017-18 paid in 2016-17.

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

National Principles for the allocation of grants under the Act

The Act requires the Australian Government Minister (the Minister) 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 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 determined 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 Australian Government Minister (the Minister) responsible for local government for approval. The Act requires that the Minister is 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 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
- the Minister is satisfied that the body includes at least two 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 the 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 are:

New South Wales	<i>Local Government Act 1993</i>
Victoria	<i>Victoria Grants Commission Act 1976</i>
Queensland	<i>Local Government Act 2009</i>
Western Australia	<i>Local Government Grants Act 1978</i>
South Australia	<i>South Australian Local Government Grants Commission Act 1992</i>
Tasmania	<i>State Grants Commission Act 1976</i>
Northern Territory	<i>Local Government Grants Commission Act 1986</i>

Bodies eligible to receive funding under the Financial Assistance Grant program

All local governing bodies constituted under state and territory legislation are automatically local governing bodies.

In addition, section 4(2)(b) of the Act provides for:

...a body declared by the 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)(b), received funding under the Financial Assistance Grant program in 2017–18 (Table 11) at 1 July 2017.

Table 11 Distribution of local governing bodies, by type and jurisdiction

<i>Type</i>	<i>NSW^c</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA^e</i>	<i>Tas</i>	<i>NT^d</i>	<i>Total</i>
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:
- a. These are local governing bodies eligible under section 4(2)(a) of the Local Government (Financial Assistance) Act 1995 (Cth).
 - b. These are declared local governing bodies under section 4(2)(b) of the Local Government (Financial Assistance) Act 1995 (Cth).
 - c. Includes Lord Howe Island, Silverton and Tibooburra.
 - d. Includes the Northern Territory Roads Trust Account.
 - e. Includes the Outback Communities Authority.

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

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 take into account 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 (see Appendix A).

A detailed description of each local government grants commission's methods can be found in Figure 4 and Appendices B and C.

Figure 4 Internet addresses for local government grants commissions

Jurisdiction	Internet address
New South Wales	https://www.olg.nsw.gov.au/commissions-and-tribunals/grants-commission
Victoria	https://www.localgovernment.vic.gov.au/council-funding-and-grants/victoria-grants-commission
Queensland	https://www.dlgrma.qld.gov.au/local-government/governance/queensland-local-government-grants-commission.html
Western Australia	https://www.dlgsc.wa.gov.au/local-government/local-governments
South Australia	http://www.dpti.sa.gov.au/local_govt/LGGC
Tasmania	http://www.treasury.tas.gov.au/state-grants-commission
Northern Territory	http://www.grantscommission.nt.gov.au

Allocations to local government in 2017 – 18

The Australian Government Minister (the Minister) agreed to the allocations of funding under the Financial Assistance Grant program to local governing bodies for 2017 – 18, as recommended by local government grants commissions through state and Northern Territory ministers. Appendix D contains the final entitlements for 2017 – 18.

Table 12 provides the average general purpose allocation per capita provided to local governing bodies by jurisdiction and the Australian Classification of Local Governments. The average local road component per kilometre provided to local governing bodies by jurisdiction and the Australian Classification of Local Governments is outlined in Table 13.

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, daily or seasonal population changes, age of population and geographic differences.

Table 12 Average general purpose component per capita to councils 2017 – 18

Classification	Jurisdiction (\$)										Average
	NSW	Vic	Qld	WA	SA	Tas	NT				
Urban Capital City (UCC)	20.39	20.55	20.38	20.27	20.33	20.20	20.45				20.74
Urban Developed Small (UDS)	20.39	n/a	n/a	20.18	20.33	n/a	n/a				20.20
Urban Developed Medium (UDM)	20.39	n/a	n/a	20.18	20.33	n/a	n/a				20.32
Urban Developed Large (UDL)	20.39	23.76	n/a	20.18	20.33	n/a	n/a				21.17
Urban Developed Very Large (UDV)	25.00	32.46	n/a	20.18	32.70	n/a	n/a				27.59
Urban Regional Small (URS)	195.28	194.97	166.76	56.61	47.84	62.75	37.53				123.11
Urban Regional Medium (URM)	102.36	148.36	122.25	43.34	21.80	20.20	n/a				76.39
Urban Regional Large (URL)	81.77	113.48	48.82	n/a	n/a	n/a	n/a				81.36
Urban Regional Very Large (URV)	68.04	72.21	23.62	n/a	n/a	n/a	n/a				54.62
Urban Fringe Small (UFS)	n/a	69.19	83.69	62.37	36.90	83.47	20.45				59.35
Urban Fringe Medium (UFM)	44.34	85.31	52.64	23.14	20.33	20.20	n/a				40.99
Urban Fringe Large (UFL)	61.45	85.59	n/a	20.18	102.94	n/a	n/a				54.03
Urban Fringe Very Large (UFV)	39.36	61.86	n/a	20.18	30.59	n/a	n/a				30.38
Rural Significant Growth (RSG)	n/a	n/a	n/a	98.10	n/a	n/a	n/a				98.10
Rural Agricultural Small (RAS)	1 302.06	n/a	n/a	1 180.03	778.12	627.45	n/a				971.92
Rural Agricultural Medium (RAM)	709.54	741.03	791.41	264.58	413.14	235.90	n/a				525.93
Rural Agricultural Large (RAL)	399.78	468.46	n/a	261.80	227.43	204.56	n/a				312.41
Rural Agricultural Very Large (RAV)	246.04	233.83	411.30	144.30	173.63	100.62	20.45				190.02
Rural Remote Extra Small (RTX)	545.50	n/a	7 070.43	2 125.33	604.09	n/a	71.56				4083.38
Rural Remote Small (RTS)	n/a	n/a	2 796.58	2 260.38	n/a	n/a	249.11				1768.69
Rural Remote Medium (RTM)	1757.46	n/a	1 467.89	1 306.88	411.06	n/a	79.73				1004.61
Rural Remote Large (RTL)	767.43	n/a	1 289.58	312.97	n/a	n/a	201.76				642.93
Total per capita	67.95	68.50	67.94	67.28	67.78	67.34	69.50				\$68.04

Notes: n/a = not applicable.

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

Table 13 Average local road component per kilometre to councils 2017-18

Classification	Jurisdiction (\$)										Average
	NSW	Vic	Qld	WA	SA	Tas	NT				
Urban Capital City (UCC)	4 021.01	3 228.45	2 655.90	4 967.33	250.60	5 012.73	3 403.65				3 351.33
Urban Developed Small (UDS)	2 305.74	n/a	n/a	2 104.04	171.96	n/a	n/a				1 527.25
Urban Developed Medium (UDM)	2 927.59	n/a	n/a	2 167.78	295.07	n/a	n/a				1 796.81
Urban Developed Large (UDL)	3 266.61	1 709.34	n/a	2 017.34	219.07	n/a	n/a				1 788.82
Urban Developed Very Large (UDV)	2 753.65	1 660.47	n/a	2 083.78	450.90	n/a	n/a				1 724.14
Urban Regional Small (URS)	1 574.52	1 213.86	681.59	1 266.28	488.25	3 256.69	3 491.11				1 706.39
Urban Regional Medium (URM)	1 786.15	1 321.15	788.64	1 494.83	307.46	3 938.33	n/a				1 601.79
Urban Regional Large (URL)	2 068.91	1 421.92	971.68	n/a	n/a	n/a	681.74				1 276.65
Urban Regional Very Large (URV)	2 245.02	1 515.08	1740.77	n/a	n/a	n/a	n/a				1 818.01
Urban Fringe Small (UFS)	n/a	1 297.44	687.56	2 592.07	331.41	2 569.64	3 281.86				1 787.28
Urban Fringe Medium (UFM)	1 782.03	1 451.56	805.31	1 735.19	437.51	2 824.18	n/a				1 494.68
Urban Fringe Large (UFL)	1 970.82	1 651.44	n/a	1 786.18	252.97	n/a	n/a				1 404.38
Urban Fringe Very Large (UFV)	2 252.21	1 673.37	n/a	1 822.78	n/a	n/a	n/a				1 900.48
Rural Significant Growth (RSG)	n/a	n/a	n/a	1 525.50	n/a	n/a	n/a				1 525.50
Rural Agricultural Small (RAS)	1 061.75	n/a	n/a	633.19	1052.81	2 157.10	n/a				1 226.21
Rural Agricultural Medium (RAM)	980.10	795.80	575.71	880.31	1322.98	2 499.83	n/a				1 172.08
Rural Agricultural Large (RAL)	1 064.38	803.52	n/a	983.98	1168.75	2 430.65	n/a				1 281.10
Rural Agricultural Very Large (RAV)	1 184.26	1 077.09	659.52	989.89	773.18	2 367.49	3 397.01				1 491.89
Rural Remote Extra Small (RTX)	n/a	n/a	592.98	494.51	2 616.89	n/a	1 751.74				1 364.03
Rural Remote Small (RTS)	n/a	n/a	594.90	533.06	n/a	1977.07	616.82				930.46
Rural Remote Medium (RTM)	925.88	n/a	697.77	688.48	2 018.59	n/a	1 706.90				1 207.52
Rural Remote Large (RTL)	949.14	n/a	620.95	951.42	n/a	n/a	1 085.20				901.68
Total per kilometre	1 440.91	1 143.67	913.39	867.45	511.44	2 723.09	1 284.81				1 269.25

Notes: n/a = not applicable.

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

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 hash (#) in Appendix D. Table 14 provides details on local governing bodies on the minimum grant by jurisdiction, from 2007–08 to 2017–18. The per capita grant to minimum grant councils in 2017–18 was between 20.18 and 20.55.

The proportion of the population covered by local governing bodies on the minimum grant varies between jurisdictions. In 2017–18, the proportion ranged from 28.5 per cent in Victoria to 78.3 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 2017–18, the proportion of the general purpose grant that went to local governing bodies on the minimum grant was 13.7 per cent nationally. It varied from 8.5 per cent in Victorian to 23.4 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 number of local governing bodies on the minimum grant increased from 84 in 2007–08 to 97 in 2017–18. The percentage of the population in minimum grant councils increased from 31.7 per cent in 2007–08 to 45.8 per cent in 2017–18. This resulted 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 (see Appendix A).

Table 14 Councils on the minimum grant, by jurisdiction, 2007-08 to 2017-18

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
NSW											
\$ general purpose	406 050 359	422 066 453	442 758 903	463 479 161	471 413 267	489 045 833	508 608 083	508 237 232	506 290 484	496 242 780	524 987 494
\$ to minimum grant councils	30 793 666	32 070 254	33 460 548	36 160 752	37 593 617	38 999 527	41 044 913	42 527 921	47 455 907	38 241 165	46 060 914
% to minimum grant councils	7.6	7.6	7.6	7.8	8.0	8.0	8.1	8.4	9.4	7.7	8.8
Population per jurisdiction	6 854 067	6 943 884	6 983 605	7 133 854	7 292 022	7 301 607	7 289 779	7 409 856	7 508 849	7 664 575	7 726 426
Population for minimum grant councils	1 725 814	1 744 716	1 759 235	1 855 282	1 922 430	1 940 916	1 960 961	2 066 788	2 343 212	1 915 270	2 259 648
% of population in minimum grant councils	25.2	25.1	25.2	26.0	26.6	26.6	26.9	27.9	31.2	25.0	29.0
Minimum grant councils /No. LGBs	21/155	21/155	21/155	22/155	23/155	23/155	23/155	24/155	26/155	18/131	20/131
Vic											
\$ general purpose	305 906 191	319 394 720	336 060 498	354 852 579	360 195 861	375 393 290	393 135 181	393 289 960	394 880 592	405 256 954	415 741 109
\$ to minimum grant councils	13 310 089	23 450 803	27 458 066	30 577 564	30 820 330	28 328 702	33 555 381	33 587 740	33 799 568	34 701 187	35 498 178
% to minimum grant councils	4.4	7.3	8.2	8.6	8.6	7.6	8.5	8.5	8.6	8.6	8.5
Population per jurisdiction	5 163 649	5 262 390	5 313 734	5 443 134	5 545 838	5 621 116	5 632 519	5 739 228	5 841 632	5 937 462	6 069 627
Population for minimum grant councils	738 401	1 273 912	1 447 208	1 563 445	1 581 774	1 413 974	1 600 743	1 633 808	1 664 977	1 694 716	1 727 523
% of population in minimum grant councils	14.3	24.2	27.2	28.7	28.5	25.2	28.4	28.5	28.5	28.5	28.5
Minimum grant councils /No. LGBs	7/79	11/79	12/79	12/79	13/79	12/79	13/79	13/79	13/79	13/79	13/79

Table 14 continued

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Qld											
\$ general purpose	244 752 786	257 092 111	272 006 416	288 922 754	290 459 015	304 750 796	319 028 016	319 083 531	318 749 890	317 752 529	328 799 275
\$ to minimum grant councils	26 876 194	27 468 884	29 098 788	30 728 757	50 601 267	62 254 683	65 533 567	65 766 311	65 795 193	69 679 193	72 398 267
% to minimum grant councils	11.0	10.7	10.7	10.6	17.4	20.4	20.5	20.6	20.6	21.9	22.0
Population per jurisdiction	4 131 389	4 242 789	4 178 232	4 421 783	4 510 510	4 576 882	4 556 416	4 653 008	4 718 591	4 774 888	4 839 261
Population for minimum grant councils	1 486 720	1 458 827	1 489 934	1 567 615	2 619 274	3 116 561	3 138 148	3 196 772	3 246 648	3 490 246	3 551 854
% of population in minimum grant councils	36.0	34.4	35.7	35.5	58.1	68.1	68.9	68.7	68.8	73.1	73.4
Minimum grant councils /No. LGBs	2/157	2/73	2/73	2/73	6/73	8/73	8/77	9/77	9/77	10/77	10/77
WA											
\$ general purpose	123 301 075	129 395 614	137 579 902	146 620 875	151 667 051	157 781 551	171 319 297	172 194 345	173 592 719	165 885 062	176 085 070
\$ to minimum grant councils	27 858 876	29 147 411	31 045 359	33 132 023	34 286 560	35 432 688	38 760 735	39 026 105	38 981 399	35 870 819	4 128 1872
% to minimum grant councils	22.6	22.5	22.6	22.6	22.6	22.5	22.6	22.7	22.5	21.6	23.4
Population per jurisdiction	2 081 303	2 138 062	2 171 197	2 245 057	2 293 510	2 349 325	2 430 252	2 519 321	2 577 840	2 590 259	2 617 074
Population for minimum grant councils	1 544 602	1 581 149	1 633 126	1 691 057	1 728 272	1 758 611	1 832 803	1 903 262	1 920 784	1 871 379	2 047 990
% of population in minimum grant councils	74.2	74	75.2	75.3	75.4	74.9	75.4	75.5	74.5	72.2	78.3
Minimum grant councils/No. LGBs	31/140	31/139	31/139	31/139	31/138	30/138	31/138	31/138	31/138	29/137	31/137

Table 14 continued

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
SA											
\$ general purpose	93 329 590	96 948 206	101 127 276	105 434 395	107 468 610	110 938 451	115 072 530	114 528 245	113 431 086	112 980 736	115 773 190
\$ to minimum grant councils	15 018 873	16 084 800	16 309 932	17 542 801	14 330 230	17 938 909	18 042 090	17 154 972	16 990 531	17 610 038	17 798 588
% to minimum grant councils	16.1	16.6	16.1	16.6	13.3	16.2	15.7	15.0	15.0	15.6	15.4
Population per jurisdiction	1 575 389	1 593 494	1 603 361	1 623 590	1 644 582	1 656 299	1 654 778	1 670 827	1 685 714	1 685 714	1 708 135
Population for minimum grant councils	834 072	876 276	861 778	900 691	810 045	892 807	864 995	834 042	841 721	874,193	875 484
% of population in minimum grant councils	52.9	55	53.8	55.5	49.3	53.9	52.3	49.9	49.9	51.9	51.3
Minimum grant councils/No. LGBs	20/74	21/74	20/74	21/74	20/74	20/74	18/74	17/74	17/74	17/74	17/74
Tas											
\$ general purpose	29 129 652	30 163 788	31 433 715	32 611 864	33 677 077	34 471 522	35 487 132	35 201 332	34 554 111	34 214 228	34 954 441
\$ to minimum grant councils	1 676 505	2 914 651	3 994 953	4 775 551	3 620 178	3 714 379	5 219 534	5 182 417	5 091 852	5 049 338	5 168 245
% to minimum grant councils	5.8	9.7	12.7	14.6	10.8	10.8	14.7	14.7	14.7	14.8	14.8
Population per jurisdiction	491 704	495 377	497 529	503 292	507 643	510 519	512 019	513 159	514 762	516 586	519 063
Population for minimum grant councils	93 708	158 901	210 772	245 667	181 900	183 365	251 030	251 828	252 849	254 126	255 823
% of population in minimum grant councils	19.1	32.1	42.4	48.8	35.8	35.9	49.0	49.1	49.1	49.2	49.3
Minimum grant councils/No. LGBs	2/29	3/29	4/29	5/29	4/29	4/29	5/29	5/29	5/29	5/29	5/29

Table 14 continued

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
NT											
\$ general purpose	12 590 104	13 203 569	13 880 149	14 733 572	15 224 579	15 518 239	16 449 092	16 573 314	15 930 250	16 170 566	16 560 517
\$ to minimum grant councils	1 350 251	1 772 176	2 424 889	2 555 872	3 239 988	2 714 718	2 889 253	2 938 751	2 939 595	2 918 549	3 005 630
% to minimum grant councils	10.7	13.4	17.5	17.4	21.3	17.5	17.6	17.7	18.5	18.0	18.1
Population per jurisdiction	212 519	217 435	212 983	218 635	220 753	223 443	227 963	233 399	231 833	237 252	238 271
Population for minimum grant councils	70 245	17 856	124 029	126 424	156 597	130 295	133 471	137 953	140 441	142 735	144 149
% of population in minimum grant councils	33.1	8.2	58.2	57.8	70.9	58.3	58.6	59.1	60.6	60.2	60.5
Minimum grant councils/No. LGBs	1/61	2/16	4/16	4/16	6/16	5/16	5/16	5/18	5/18	5/18	5/18
Australia											
\$ general purpose	1 215 059 757	1 268 264 461	1 334 846 859	1 406 655 200	1 430 105 460	1 487 899 682	1 559 099 331	1 559 107 959	1 557 429 132	1 548 502 855	1 612 901 096
\$ to minimum grant councils	116 884 454	132 908 979	143 792 535	155 473 320	174 492 170	189 383 606	205 045 473	206 184 217	211 054 045	204 070 289	221 211 694
% to minimum grant councils	9.6	10.5	10.8	11.1	12.2	12.7	12.7	13.2	13.6	13.2	13.7
Population per jurisdiction	20 510 020	20 893 431	20 960 641	21 589 345	21 954 858	22 239 191	22 303 726	22 738 798	23 079 221	23 406 736	23 717 857
Population for minimum grant councils	6 493 562	7 111 637	7 526 082	7 950 181	9 000 292	9 436 529	9 782 151	10 024 453	10 410 632	10 242 665	10 862 471
% of population in minimum grant councils	31.7	34.4	35.9	34.3	41.0	42.4	43.1	44.1	45.1	43.8	45.8
Minimum grant councils/No. LGBs	84/695	91/565	94/565	97/565	103/564	102/564	97/568	104/570	106/570	97/545	97/545

Notes: The Northern Territory Road trust is not included as it does not receive an allocation under the general purpose component. LGB = local governing bodies.
Source: Department of Infrastructure, Transport, Regional Development and Communications.

Comparing councils

Councils often compare the grant they receive to that of other councils and assume that if another council gets a similar sized grant, then both councils have been assessed as having a similar relative need. This can be an incorrect assumption.

Local government grants commissions implicitly determine a ranking for each council in their state 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 road 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 position of the average general purpose grant per capita and the average local road grant per kilometre are also shown within the ranking of councils. These state averages are taken from Table 12 and Table 13.

Reviews of local government grants commission methodologies

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, most local government grants commissions have undertaken major reviews of their methodologies, are undertaking such examinations or have such activities planned (Table 15).

The 2001 Commonwealth Grants Commission review of the operations of the Act reinforced the need to review the methodologies. The review identified the need to revise methodologies to achieve consistency with the principles of relative need, other grant support and Aboriginal and Torres Strait Islander peoples (Commonwealth Grants Commission 2001).

Table 15 Status of most recent major methodology reviews by state, as at 30 June 2018

State	General purpose grants	Local road grants
NSW	No changes to the methodology were implemented.	No changes to the methodology were implemented.
Vic	<p>The Commission continued to review and adjust its allocation methodology during 2016–17, and made several changes to the general purpose grants methodology for the 2017–18 allocations:</p> <ul style="list-style-type: none"> • Recreation & Culture expenditure function altered to recognise the needs of non-English speakers in the community; • Business & Economic Services expenditure function altered to give greater recognition to non-resident populations; and • rate revenue raising capacity has been altered to accommodate rate capping. <p>In addition, the Commission undertook a major review of the method of assessment for the Waste Management expenditure function. That review concluded that no change was required.</p>	No changes to the methodology were implemented.

Table 15 continued

State	General purpose grants	Local road grants
Qld	No changes to the methodology were implemented.	No changes to the methodology were implemented.
WA	Residential, Commercial and Industrial Rates Revenue Standard weightings changed from 65 per cent on assessments and 35 per cent on valuations to a weighting of 50 per cent on assessments and 50 per cent on valuations. Agricultural Rates Revenue Standard adopted weightings of 26 per cent on the number of properties, 39 per cent weighting on valuations and 35 per cent weighting on area. Population Dispersion Cost Adjustor removed recognition of the townsites of Useless Loop, Marvel Loch, Dudinin and Pingaring. The removal of the allowance for the affected local governments was phased in at a reduction of 60 per cent of the allowance for those local governments which did not have any other townsites. The phased decrease will be reviewed as part of the following year's grant determinations.	No changes to the methodology were implemented.
SA	No changes to the methodology were implemented.	No changes to the methodology were implemented.
Tas	No changes to the methodology were implemented.	No changes to the methodology were implemented.
NT	No changes to the methodology were implemented.	No changes to the methodology were implemented.

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

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, may be used to limit year-to-year variations.

No local governing body receives less than the minimum grant, so local governing bodies on the minimum grant are exempt from capping. In some circumstances, a local government grants commission may decide a local governing body's grant should not be capped. Usually, this is to allow a larger grant increase than would otherwise be possible.



Local government efficiency and performance



Under section 16 of the *Local Government (Financial Assistance) Act 1995* (Cth) (the Act), an annual report must be made 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.

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 2017–18. A summary of the progress for each jurisdiction follows.

Local government in **New South Wales** report under an integrated planning and reporting (IP&R) framework to improve strategic planning, including long-term financial and asset management planning. This framework requires councils to prepare a suite of plans including a Long-Term Financial Plan (10 years+) and an Asset Management Policy, Strategy and Plans (10 years+).

For the 2017–18 year the NSW Government continued to provide oversight and support for councils developing and implementing Long-Term Financial and Asset Management Plans to improve their financial sustainability.

In 2017–18 the **Victorian** State Government undertook the Local Government Act Review, a major project to review the Local Government Act 1989, resulting in the release of an exposure draft of the Local Government Bill in December 2017. The exposure draft included requirements for Victorian councils to develop, adopt and review a ten-year financial plan and a ten-year asset plan. Improved alignment between long term financial plans, asset management plans, strategies and budgets underpinned by deliberative engagement with communities continues to be a Victorian State Government priority and the exposure draft Bill reflected the intent for greater alignment in legislation. The Local Government Bill 2018 was introduced into the Victorian Parliament, but was not passed prior to the 2018 Victorian State election.

All **Queensland** local governments are required to have both long-term financial and asset forecasts covering at least 10 years and to update the forecasts annually. To assist local governments in complying with this requirement, Queensland Treasury Corporation (QTC) maintains the Local Government Forecast Model (LGMF). The LGMF is available to all Queensland local governments and includes five years of historical data and ten years of forecasts.

In October 2017, 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.

Western Australia regulations established new requirements for the Plan for the Future under the *Local Government Act 1995* meant all local governments were required to have developed and adopted two key documents by 30 June 2013: a Strategic Community Plan and a Corporate Business Plan, supported and informed by resourcing and delivery strategies, including an Asset Management Plan, a Long Term Financial Plan and a Workforce Plan. These all form part of the Integrated Planning and Reporting (IPR) Framework and the Advisory Standard, which sets out associated performance measures.

South Australia continued to provide advice and assistance to the sector in 2017-18 to assist Councils to meet their governance obligations for financial and asset management.

On 28 November 2017, the **Tasmania** Auditor-General tabled his report for the 2017-18 financial year. The Report notes that the use of financial and asset management plans by councils has increased over the past ten years. More specifically, the Report highlights that the number of councils without asset management plans has decreased from 19 in 2011 to just one in 2017.

In 2017-18 the **Northern Territory** Government continued to work with the Local Government Association of the Northern Territory (LGANT), to provide a range of support services to the Territory's local government sector. Funding was provided by the Department of Local Government, Housing and Community Development for LGANT to deliver the support activities under this agreement during 2017-18 including, the preparation of an asset management strategy paper "Recognition and Accounting Treatment for Council Property" and a two day training session conducted by the Australian Institute of Company Directors focusing in good corporate governance and financial management including reporting, planning budgeting and asset management.

In 2017-18 the **Australian Capital Territory** Infrastructure Planning and Advisory Committee (IPAC) comprising Directors General and Chief Executive Officers across the ACT Government continued to play key role in providing coordinated advice to the ACT Government on land, transport planning, municipal services and other service infrastructure. The committee also continued to work on a coordinated long-term strategy for Canberra's Infrastructure for government consideration.

The ACT Government 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.

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 either collected either by the responsible agency or by the local government grants commissions.

For this National Report, state and territory governments and local government associations were asked to report on measures undertaken in 2017–18 to develop and implement comparative local government performance indicators. A summary of these reports for each jurisdiction follows.

New South Wales released *Your council* time series data which marks the 28th year of local government councils' data publication. This data enables a range of performance indicators to be compared between councils and over time. Data sources include council financial reports, rating records and Australian Bureau of Statistics' population data. 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 will be updated annually as new data becomes available.

In November 2015, **Victoria** launched the *Know Your Council* (www.knowyourcouncil.vic.gov.au) website, designed to improve council transparency and accountability and to make it easy for the community to access and compare council performance. The website, based on Victoria's Local Government Performance Reporting Framework, requires all Victorian councils to collect performance data and report against 59 performance indicators' each year, across 112 different service areas, including finance, roads, waste and libraries. The framework also includes a checklist of 24 items considered essential for supporting good governance and management in local government.

The 2016–17 data was launched online in December 2017, which is the third year of data on the website and allows users to begin to see trends in council performance, as well as compare councils and how they perform year on year. The data is often accompanied by a narrative provided by councils, which gives context to readers.

The provision of information by the **Queensland** Government to the community through the Queensland Local Government Comparative Information Report continued in 2017–18. 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.

In April 2016, the MyCouncil comparative website was launched by the **Western Australian** Government. MyCouncil provides a place to find out how local governments are raising, spending and managing their money. The website continues to provide 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 in in the first quarter of 2017 for the 2017–18 financial year.

MyCouncil enables users to compare key demographic and financial information. Data such as council expenditure by program, rates and other revenue and service delivery can be viewed for each council and compared with others. The financial information presented in the website is provided by local governments to the Department of Local Government, Sport and Cultural Industries (DLGSC) and the Commission. Demographic data are sourced from the ABS and local governments. MyCouncil data are updated annually in the first quarter of the calendar year.

MyCouncil also includes information about each local government's financial health using the Financial Health Indicator (FHI). The FHI methodology was developed by the Western Australian Treasury Corporation with input from financial professionals working in local governments across Western Australia. These provide a guide to the financial sustainability of local government, especially when viewed as trend, and continues to provide valuable feedback to local governments which allows them to reassess and adjust their actions.

For **South Australia**, comparisons between Councils on a wide range of data are facilitated by the annual publication by the SA Local Government Grants Commission of annual "database reports" dating back to 1995-96.

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

In August 2017, the then Minister for Local Government in **Tasmania**, the Hon Peter Gutwein MP, issued a direction, pursuant to section 335(1)(b) of the *Local Government Act 1993*, requiring the Director of Local Government to publish local government performance information.

In December 2017, the Local Government Division's Consolidated Data Collection (CDC) was made available as open data on the Land and Information System Tasmania (the LIST). The CDC includes financial, infrastructure, human resources and planning data for all of Tasmania's 29 councils. Consistent with the Tasmanian Government Open Data Policy, the publication of the CDC promotes transparency and accountability.

During 2014-15 in the **Northern Territory**, a Model Financial Statements Working Group was established comprising of members from Local Government Association of the Northern Territory (LGANT), the then Department of Local Government and Community Services and council staff to develop an annual financial reporting framework for the Northern Territory's local government sector.

LGANT circulated the endorsed sector-wide model financial statements to all councils to assist with preparing their annual financial statements. Most councils in the Northern Territory used this template as the basis for reporting their 2017-18 annual financial statements.

The **Australian Capital Territory** 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.

Efficiency and effectiveness reforms

As part of their reports, jurisdictions were asked to provide information on 2017–18 reforms to improve the efficiency and effectiveness of local government service delivery. A summary for each jurisdiction follows.

In 2017–18, the **New South Wales** Government worked to consolidate a number of 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.

The **Victorian** Government provided a \$1 million commitment from the 2017–18 Victorian State Budget for the establishment of the Rural and Regional Councils Sustainability Reform Program. The Program aimed to identify barriers and challenges, and to propose options to provide long-term financial and operational sustainability for rural and regional councils.

KPMG was commissioned to undertake a body of work to better understand the challenges and options for rural council sustainability. This work was completed under the guidance of a steering committee comprising representation from Rural Councils Victoria, Regional Cities Victoria, Municipal Association of Victoria, Local Government Professionals, Victorian Local Governance Association, Department of Treasury and Finance, Department of Premier and Cabinet and Regional Development Victoria.

The KPMG report led to the release in 2018–19 of the \$20m Rural Councils Transformation Program, which offered a competitive, unmatched grant program for rural and regional councils to enter into regional shared services delivery at a scale not previously achieved. Four regional groupings of councils covering 19 councils across the state were successful in accessing funding under this program.

In May 2018, the **Queensland** Government passed the *Local Government (Councillor Complaints) and Other Legislation Amendment Act 2018*, which improved the councillor conduct complaints process and established an Office of the Independent Assessor to assess and investigate complaints of councillor misconduct; and the *Local Government Electoral (Implementing Stage 1 of Belcarra) and Other Legislation Amendment Act 2018*, which ensured that the ban on political donations by property developers applied at both the state and local levels of government. The legislation was about increasing transparency, integrity and accountability in Local Government by strengthening the obligations for how councillors deal with conflicts of interest.

In **Western Australia**, the Department of Local Government, Sport and Cultural Industries (DLGSCI) was established on 1 July 2017. The financial year was a period of significant reform with the transformation of six former agencies into a more efficient and responsive organisation.

On 2 August 2017, the Western Australian Government entered into the State Local Government Partnership Agreement (the Agreement) with Western Australian Local Government Association and Local Government Professionals Australia WA. The Agreement commits the two tiers of government to work collaboratively setting out principles, governance and timeframes for significant matters.

In addition, a State Local Government Working Group was established to support the Partnership Group and give effect to the Agreement. The role of the Working Group is to provide a transparent and integrated process to assist the Partnership Group and Working Group to deliver improvements in communication, consultation, governance and outcomes for the community.

In August 2017, the *Local Government (Auditing) Act 2017* was passed giving responsibility for local government auditing to the Western Australia Auditor General. The amendments enable the Auditor General to audit council finances and performance, and ensure that Western Australians benefit from local governments that are accountable, transparent and responsible. This is being phased in over a three-year period. In 2017-18, the Auditor General was responsible for 46 of 148 audits.

In 2017-18 DLGSC completed the first phase consultation on the review of the *Local Government Act 1995*. The department received 243 submissions which were analysed and considered in the preparation of policy recommendations to the State Government. The resulting policy reforms address elected member conduct and behaviour, training, gifts, chief executive officer recruitment and performance management and improved community access to information.

On 22 August 2017, the *Local Government (Boundary Adjustment) Amendment Act 2017* was assented to by the **South Australia** Governor. The Amendment Act commenced on 1 January 2019 and significantly reformed the processes within the *Local Government Act 1999* that govern changes to council boundaries. The Boundaries Commission was established as the independent body that assesses and investigates boundary change proposals and has released nine guidelines on the Office of Local Government website.

A Bill was also introduced to the South Australian Parliament provide for the establishment, operation and reporting of a system to cap annual increases in councils' general rates.

The Local Government Association of **South Australia** continued to provide a range of material to help councils meet their governance obligations. These materials include model policies and procedures, guidelines, information papers and codes of practice.

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 2018, the Scheme had approved a total of 678 projects, with a total of \$29 million. This has attracted significant matching funds and in-kind support from other sources.

In 2017-18, the **Tasmanian** Government continued to support councils' feasibility studies with three feasibility studies completed.

A comprehensive review of Tasmania's local government legislation framework is currently underway. The review will examine, among other things, how Tasmania's local government legislative framework can best support councils that wish to pursue more flexible governance and service delivery models. Further details will be provided for the 2018-19 report.

In the **Northern Territory** the new LGANT funded projects worked towards supporting and/or improving service delivery in communities. The SIF program is an application based grant with projects selected and approved by the minister responsible for local government. Approved projects included upgrades of waste management facilities; upgrade council staff housing in communities; upgrade communication infrastructure; repair and upgrade of council buildings and other infrastructure; and road repairs.

In the **Australian Capital Territory** Access Canberra shapes the delivery of services around businesses, community groups and individuals seeking to engage with the ACT Government, enabling a 'no wrong door' approach and ensuring appropriate levels of community protection work to make Canberra an even better place to live.

Access Canberra will continue to actively engage with business, community groups and individuals to promote and support community safety while also working to identify areas to reduce red tape to make dealing with the ACT Government.





Reporting requirements

Section 16 of the *Local Government (Financial Assistance) Act 1995* (Cth) (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 2017–18, 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.

Closing the Gap

In 2008, the Council of Australian Governments (COAG) set targets aimed at eliminating the gap in outcomes between Indigenous and non-Indigenous Australians. Current Closing the Gap targets:

- Close the gap in life expectancy within a generation (by 2031).
- Halve the gap in mortality rates for Indigenous children under five within a decade (by 2018).
- 95 per cent of all Indigenous four-year-olds enrolled in early childhood education (by 2025) — renewed target.
- Close the gap between Indigenous and non-Indigenous school attendance within five years (by 2018).
- Halve the gap for Indigenous children in reading, writing and numeracy achievements within a decade (by 2018).
- Halve the gap for Indigenous Australians aged 20–24 in Year 12 attainment or equivalent attainment rates (by 2020).
- Halve the gap in employment outcomes between Indigenous and non-Indigenous Australians within a decade (by 2018).

At its meeting on 12 December 2018, COAG leaders committed to ensuring that refreshed Closing the Gap targets be finalised through the Ministerial Council on Closing the Gap by Mid-2019, ahead of COAG endorsement. Please note that this information reflects the status for the reporting period 2017–18. Further information on the current agreement and targets can be found at www.closingthegap.gov.au.

State, territory and local government initiatives

An outline of key activities undertaken by jurisdictions and local government associations to improve the provision of local government services to Indigenous peoples in 2017-18 is as follows.

In **New South Wales** 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.

A number of initiatives were undertaken in **Victoria** in 2017-18 which focused on improving partnership and service delivery arrangements with Aboriginal and Torres Strait Islander communities in Victoria.

The Victorian Aboriginal and Local Government Action Plan (Action Plan) was launched in December 2016 as a foundational element of the Victorian Government's approach to actively advance the interests of Aboriginal people in the roles of councils. Eight significant initiatives were achieved in 2017-18. An independent Aboriginal business is undertaking the review of the Action Plan which is expected to be completed by early 2020.

Local Government Victoria has facilitated workshops, meetings, council updates and training sessions with councils and Dja Dja Wurrung organisations to increase engagement in, and facilitate actions under, the Recognition and Settlement Agreement, and is establishing support for councils in the Gunaikurnai (nine local governments) and Taungurung (14 local governments) agreement areas, in partnership with Traditional Owners.

Local Government Victoria continues to work collaboratively with the Department of Justice and Community Services to support councils implement Local Government Engagement Strategies as other Recognition and Settlement Agreements progress state-wide.

Queensland continued to provide funding to Indigenous local governments to help them provide local government services to their communities. In 2017-18, over \$34 million was provided in the funding pool for the Queensland State Government Financial Aid program for 16 Indigenous councils, with each council receiving 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 program will be delivered over four years and will be managed by the Department of Local Government, Racing and Multicultural Affairs. The aim of the 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.

In 2017–18, the Queensland Government introduced the Works for Queensland Program supporting 65 regional councils to undertake job-creating maintenance and minor infrastructure projects. An additional \$200 million was allocated to 65 Councils in 2017–18 with \$26.5 million of this allocated to Queensland’s 16 Indigenous Councils.

Other funding provided by the Queensland Government to Indigenous councils in 2017–18 included \$3.53 million under the Revenue Replacement Program, an initiative under the state’s alcohol-related harm reduction strategy for nine Indigenous local governments which compulsorily surrendered their council-held liquor licences in 2009. Funding was provided under this program to assist councils to maintain community services previously funded by the profits from alcohol sales.

Under the Indigenous Economic Development Grant program, with a total funding pool of \$1.44 million, the state continued its commitment to support Indigenous councils to employ municipal services staff. Each eligible council received \$80,000, except for Yarrabah and Palm Island Aboriginal Shire Councils and Northern Peninsula Area Regional Council, which each received \$160,000.

There are 25 local governments in **Western Australia** that have remote Aboriginal communities within their boundaries. Most of these local governments share features that impact on service delivery to communities such as small populations, remote locations over large areas, harsh environments, low proportion of rates to total income, high needs and limited local economies. There is no one size fits all approach. This can also be understood in terms of the community/human services design and delivery. There are unique needs across different regions.

The State Government is continuing to deliver a major reform program. The Regional Services Reform Unit (RSRU) leads the regional integration and re-design of Commonwealth, State and local services, including the coordination the Essential and Municipal Services Upgrade Program (EMSUP).

The RSRU is working with the first 10 communities to develop a plan for each community. Collectively, these communities comprise more than 20 per cent of the total population of remote Aboriginal communities in Western Australia.

In **South Australia**, the Local Government Association of South Australia (LGASA) has continued to work towards delivering actions identified within its Reconciliation Action Plan (RAP) which was formally endorsed at the end of 2014.

During 2017–18, the LGASA, in conjunction with Reconciliation SA, hosted a RAP Learning Circle to learn and share about Reconciliation Action Plans.

In April 2015, the South Australian Government secured \$15 million from the Commonwealth to provide municipal services to Aboriginal communities outside of the APY Lands.

Over 2017–18, \$2.9 million was provided to deliver municipal services including waste management, dog control and environmental health, road maintenance and water provision. Of the 17 service providers funded, four are local councils or a similar body, including the:

- Berri Barmera Council which provides services to Gerard
- District Council of Yorke Peninsula which provides services to Point Pearce
- District Council of Coober Pedy which provides services to Umoona
- Outback Communities Authority which provides services to Dunjiba.

This funding continued in 2018-19 to support these vital services.

During 2017-18, councils in **Tasmania** undertook a range of activities to support local Aboriginal communities. These activities included initiatives to increase awareness of Tasmanian Aboriginal culture and increase partnerships with local Aboriginal groups. Tasmanian councils also support Aboriginal communities through reduced rents on the use of premises.

In 2014, local authorities were established in 63 remote communities across the **Northern Territory**. The primary role of local authorities was 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 2017-18 grant funding of \$5.4 million was allocated across the nine regional councils to assist with funding priority projects as identified by their respective local authorities.

In 2017-18, the Minister for Housing and Community Development approved the establishment of three new local authorities at Bulla, Amanbidji and Pigeon Hole for Victoria Daly Regional Council.

In 2017-18, grant funding totalling \$7.9 million under the Indigenous Jobs Development Fund was allocated to nine regional councils and one shire council to assist with subsidising 50 per cent of the cost of employing Aboriginal staff within their respective council. 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.

The **Australian Capital Territory** Aboriginal and Torres Strait Islander Agreement 2015-18 was signed on 23 April 2015 by the Chief Minister, the Chair of the Aboriginal and Torres Strait Islander Elected Body, the Minister for Aboriginal and Torres Strait Islander Affairs, and the Head of the ACT Public Service. The Aboriginal and Torres Strait Islander Elected Body has continued to play a key role in the oversight of the Agreement.

The ACT Agreement is a foundational document that affirms the ACT Government's commitment to reconciliation between Aboriginal and Torres Strait Islander Australians and non-Indigenous Australians.

The Agreement is based on community and stakeholder feedback that "Strong Families" are the key to improving resilience and achieving equitable outcomes for members of the Aboriginal and Torres Strait Islander community in the ACT.

In 2017, the Aboriginal and Torres Strait Islander Agreement 2015-18 Outcomes Framework (the Outcomes Framework) was developed. The Outcomes Framework is designed to evidence the way programs and initiatives support specific population-based outcomes. It provides a shared understanding of specific outcomes that the community expects and unifies effort across government. Further, it provides a mechanism for a gap analysis of community needs against government service provision and aids the understanding of the appropriateness of service delivery models between culturally specific programs, culturally differentiated mainstream services and culturally autonomous and delivered services. The Outcomes Framework will form part of the Annual Report of the Aboriginal and Torres Strait Islander Agreement 2015-18.



Appendix A

National Principles



Under section 3 of the *Local Government (Financial Assistance) Act 1995* (Cth) (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; and
- the provision, by local governing bodies, of services to Aboriginal and Torres Strait Islander communities.

In determining allocations, local government grant commissions are required to make their recommendations in line with the National Principles. The National Principles are set out in Figures 5 and 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 (section 6(1)) for the Australian Government Minister responsible for local government to formulate National Principles after consulting with jurisdictions and local government.

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 grant payable under section 9 of 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 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 grant 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

A. 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 program) among local governing bodies is as follows:

1. Identified road component

The identified road component of the financial assistance grant 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?

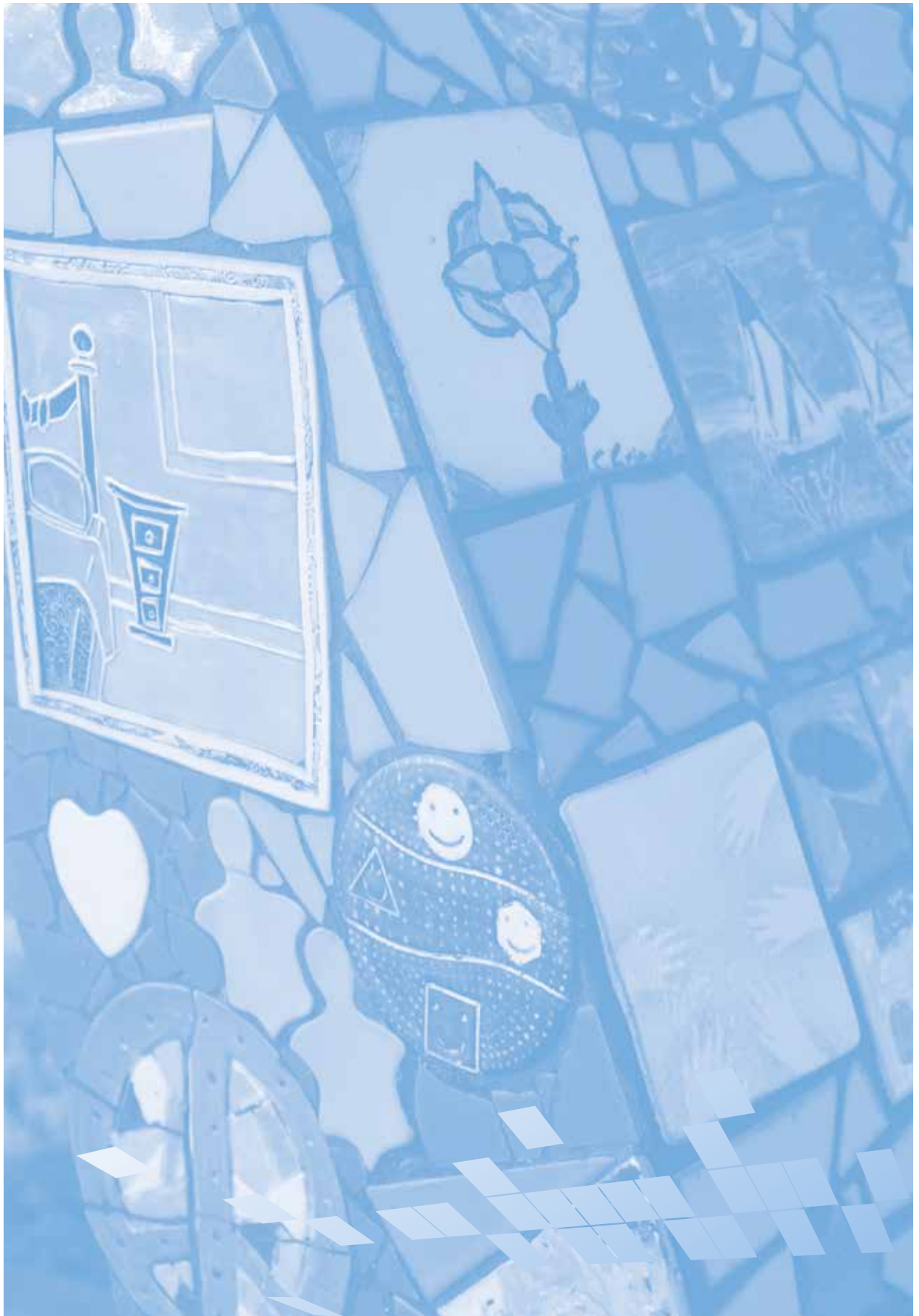
Horizontal equalisation would be achieved if every council in a state or territory, by means of reasonable revenue-raising effort, were able to afford to provide a similar range and quality of services. The Australian Government pursues a policy of horizontal equalisation when it distributes goods and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



This appendix contains the submissions from state and territory governments and local government associations. Headings have been standardised and minor edits made to achieve consistency in the report.

The *Local Government (Financial Assistance) Act 1995* (Cth) (the Act) requires that the relevant state and territory minister and bodies representative of local government be consulted when preparing this report.

All state and territory governments and local government associations were invited to make submissions. Individual submissions were received from all states and territories and some Local Government Associations. Submissions are provided below.

Report from the New South Wales Government

New South Wales Methodology for Distributing Financial Assistance Grants for 2017–18

The New South Wales Local Government Grants Commission (the Commission) methodology has not changed significantly since last year. The two components of the grants are distributed on the basis of principles developed in consultation with local government and are consistent with the National Principles of the *Local Government (Financial Assistance) Act 1995* (Cth).

General Purpose Component

The general purpose component of the grant attempts to equalise the financial capacity of councils. The Commission uses the direct assessment method. This approach considers cost disabilities in the provision of services on the one hand (expenditure allowances) and makes an assessment of councils' relative capacity to raise revenue on the other (revenue allowances).

Cost Disabilities in the Provision of Services (Expenditure Allowances)

Expenditure allowances are calculated for each council for a selected range of 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 Neutral Principle, council policy decisions concerning the level of service provided, or if there is a service provided at all, are not considered.

Expenditure allowances are calculated for twenty-one council services. These services are: general administration and governance, aerodromes, services for aged and disabled, building control, public cemeteries, services for children, general community services, cultural amenities, control of dogs and other animals, fire control and emergency services, general health services, library services, noxious plants and pest control, town planning control,

recreational services, stormwater drainage and flood mitigation, street and gutter cleaning, street lighting, and maintenance of urban local roads, sealed rural local roads, and unsealed rural local roads.

An additional allowance is calculated for councils outside the Sydney statistical division that recognises the additional cost of isolation. The general formula for calculating expenditure allowances is:

No. of units x standard cost x disability factor

where:

- the number of units is the measure of use for the service for the council; for most services the number of units is the population; for others it may be the number of properties or the length of roads
- the standard cost represents the state average cost per unit for each of the twenty-one selected services. The calculation is based on a state-wide average of councils' net costs, excluding extreme values, using selected items from Special Schedule 1 of councils' financial reports, averaged over five years
- the disability factor is the measure of disadvantage for the council.

A disability factor is the Commission's estimate of the additional cost, expressed as a percentage, of providing a standard service due to inherent characteristics that are beyond a council's control. For example, if it estimated that it would cost a council twenty per cent more than the standard for a library service because of issues such as non-resident borrowers, aged population, student numbers, non-English speaking community and population distribution the disability factor would be twenty per cent. Consistent with the Effort Neutral Principle, the Commission does not compensate councils for cost differences that arise due to policy decisions of the council, management performance or accounting differences.

For each service, the Commission has identified a number of variables that are considered to be the most significant in influencing a council's expenditure on that particular service. These variables are termed 'disabilities'. A council may have a disability due to inherent factors such as topography, climate, traffic, or duplication of services. In addition to disabilities identified by the Commission, 'other' disabilities relating to individual councils may be determined. These may arise where unique circumstances have been identified as a result of holding public hearings with councils or special submissions.

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

$$\text{Disability factor} = (\text{council measure} + \text{standard measure} - 1) \times 100 \times \text{weighting}$$

where:

- the council measure is the individual council's measure for the disability being assessed (for example, for Aged Services, percentage of population >60)
- the standard measure is the state standard (generally the average) measure for the disability being assessed
- the weighting is meant to reflect the significance of the measure in terms of the expected additional cost. The weightings have generally been determined by establishing a factor for the maximum disability based on a sample of councils or through discussion with appropriate peak organisations.

Negative scores are not generally 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.

The Commission uses the inclusion approach in the treatment of specific purpose grants for library services and local roads. This means the disability allowance is discounted by the specific purpose grant as a proportion of the standardised expenditure.

The deduction approach is used for services where the level of specific purpose payment assistance is related to council effort. This method deducts specific purpose grant amounts from all councils' expenditure before standard costs are calculated.

The Commission also calculates an allowance for additional costs associated with isolation. 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. Only councils outside the greater Sydney statistical area are included. Details of the formula are shown later in this section. An additional component of the isolation allowance is included which specifically recognises the additional industrial relations obligations of councils in western New South Wales.

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.

Relative Capacity to Raise Revenue (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. 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 standard value and multiplies the result by a state standard rate-in-the-dollar. For comparative purposes, the Commission purchases 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. 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). 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 Neutral 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'* (see 'Principle' below). 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 yet maintains the relativities between councils established in the initial calculation.

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 grants are generally caused by annual variations in property valuations, standard costs, road and bridge length, disability measures and population.

Factors Excluded from the General Purpose Component Calculations

The Commission does not consider the requirements of councils 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. Further, councils that had failed to adequately maintain their assets could be rewarded at the expense of those that did maintain them.

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 income from council business activities as a policy decision and, therefore, does not consider it in the grant calculations (Effort Neutral Principle). Similarly, losses are not considered either.

Debt servicing is related to council policy and is therefore excluded from the Commission's calculations. In the same way, the consequences of poor council decisions of the past are not considered.

Generally, the levels of a council's 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 may actually spend on a service has very little bearing on the standard cost or its grant.

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. Therefore, the efficient council will benefit from its efficiency.

Council categories have no bearing on the grants. Categories simply provide a convenient method of grouping councils for analysis purposes.

Effective from 1 July 2006, the National Principles embodied an Amalgamation Principle that 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.

On 12 May 2016, the former NSW Premier Mike Baird and the former Minister for Local Government Paul Toole announced the creation of 19 new councils in NSW. The number of councils reduced from 152 to 129 due to the mergers. A further amalgamation was announced on 9 September 2016, making a total of 128 local government areas. It is anticipated that, while the data exists, the amalgamation principle will continue to apply.

Local Road Component

The method of allocating the local road component is based on a simple formula developed by the 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 below under 'Principles'.

Formulae

The formulae used to calculate expenditure and revenue allowances of the general purpose component follow.

Expenditure allowances

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

$$Ac = Nc \times Es \times Dc$$

Where: Ac = allowance for the council for the expenditure service

Nc = number of units to be serviced by council

Es = standard expenditure per unit for the service

Dc = disability for the council for service in percentage terms

Road length allowances

In addition to the disability allowances, road length allowances are calculated for each road type based on the following formula:

$$Ac = Nc \times Es \times \frac{Lc}{Nc} - \frac{Ls}{Ns}$$

Where:

Ac = allowance for road length

Nc = number of relevant properties for the council

Es = standard cost per kilometre

$\frac{Lc}{Nc}$ = council's relevant length of road per relevant property

$\frac{Ls}{Ns}$ = standard relevant length of road per relevant property

Isolation allowances

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

$$Ac = Pc \times ([Dsc \times K1] + [Dnc \times K2] + Ic).$$

where: Ac = the isolation allowance for each council;

Pc = the adjusted population for each council;

Dsc = the distance from each council's administrative centre to Sydney;

Dnc = the distance from each council's administrative centre to the nearest major regional centre (a population centre of more than 20,000);

Ic = the additional per capita allowance due to industrial award obligations (if applicable); and

K1 and K2 are constants derived from regression analysis.

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:

$$1 - \frac{Gc}{(Nc \times Es) + Ac}$$

where: Gc = the specific purpose grant received by the council for the expenditure service;

Nc = number of units to be serviced by council;

Es = standard expenditure per unit for the service; and

Ac = allowance for the council for the expenditure service.

Revenue allowances — general

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);
 ts = standard tax rate (rate in the dollar);
 Ts = standard value per property; and
 Tc = council's value per property.

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

$$Ts = \frac{\text{sum of rateable values for all councils}}{\text{sum of number of properties for all councils}}$$

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

$$ts = \frac{\text{sum of net rates levied for all councils}}{\text{sum of rateable values for all councils}}$$

Revenue allowances — 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; and
 Ps = the proportion of eligible pensioner assessments for all councils.

The standardised rebate for the council (Rc) is:

$$Rc = 0.25 \times Tc \times ts.$$

where: Tc = the average value per residential property in the council; and
 ts = the standard tax rate (rate in the dollar) for residential properties.

The maximum value for Rc is set at 125. Tc and 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. Generally for each expenditure function an allowance will be determined using recurrent cost; both positive and negative allowances relative to average standards may be calculated.
6. Expenditure allowances will be discounted to take account of specific purpose grants.
7. Additional costs associated with non-resident use of services and facilities will be recognised in determining expenditure allowances.

Local road component

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.

1. Urban [metropolitan] area or '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 or 'Rural area' means an area not designated as an 'urban area'
3. Initial distribution of 27.54 per cent to local roads in urban areas and 72.46 per cent to local roads in rural areas
4. Local road grant in urban areas. Funds will be allocated:
 - a. five 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) seven per cent distributed to individual councils on the basis of bridge length, and (b) 93 per cent distributed to councils on the basis of (i) 80 per cent distributed on length of roads, and (ii) 20 per cent distributed on population.
6. Data
 - a. Population is based on the most up-to-date Estimated Resident Population figures available from the Australian Bureau of Statistics (ABS).
 - b. Road length is based on the most up-to-date data available to the Commission for formed roads, which are councils' financial responsibility.
 - c. Bridge length is based on the most up-to-date data available to, the Commission for major bridges and culverts six metres and over in length, measured along the centre line of the carriageway, which are councils' financial responsibility.
 - d. 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).

Changes to the methodology for distributing funding for 2017–18 from that used in 2016–17

In 2013–14, the New South Wales Local Government Grants Commission (the Commission) put in place strategies to deliver improved outcomes to relatively more disadvantaged smaller rural communities, generally those with resident populations below 10,000. This decision, which resulted from the Commission's observations during their rounds of public hearings, was consistent with the NSW Independent Local Government Review Panel's findings (to target financial assistance grants to communities with the greatest need).

The strategies included:

- applying a weighting to the standard cost for unsealed local roads in the general purpose component of the grant on the basis that the standard cost did not reflect the inability of small rural councils to adequately fund these roads;
- a reassessment of a small number of "other" discretionary disability factors in the administration and governance function; and
- removal of the urban density measure from the recreation function.

The Commission has retained these strategies since their implementation.

In addition, the long-standing upper capping limit that had applied to movements in the general purpose component grant was relaxed to more quickly move funds to the smaller rural remote councils.

To help minimise the budgetary impact of sudden and unexpected grant reductions, the Commission continued the long-standing arrangement of a lower limit on grant movements for the general purpose component.

These strategies were extended into the 2016–17 year to help reduce the impact on councils most reliant on grant funding caused by the Australian Government's decision to pause indexation on the grants. They were further retained in 2017–18.

The on-going strategies included:

- weighting the standard cost for unsealed local roads in the general purpose component;
- replacing the population growth measure with a measure for below average population growth (population decline) in the administration function;
- increasing weighting that applies to economies of scale;
- an on-going review of a number of “other” disability factors across a range of expenditure functions; and
- decreasing the upper capping limit to facilitate the effect of the grant changes to rural remote councils and re-introduction of indexation.

When compared to 2016–17, the 2017–18 general purpose component grant outcomes results are:

- grants to metropolitan councils reduced on average by 0.9%;
- grants to non-metropolitan councils increased by 4.0%;
- eighty-eight councils were capped on the upper limit increase of 5%
- eight councils were protected by a capped lower limit of a 5% reduction: Inner West, Canterbury-Bankstown, Cumberland, Fairfield, Parramatta, Blacktown, Lockhart and Hay;
- the number of minimum grant councils decreased from twenty-one to twenty; and
- three of the 20 minimum grant councils did better than the State average increase because of their above average population growth.

The Commission has been undertaking a review of the NSW grant distribution model to councils and of its internal processes. The Commission is making further progress towards redistributing the financial assistance grants to councils with the greatest relative need, but the funding model must continue to meet the requirements of the National Principles of the *Local Government (Financial Assistance) Act 1995* (Cth).

Developments in relation to the use of long term financial and asset management plans for 2017–18

Local councils in NSW report under an integrated planning and reporting (IP&R) framework to improve strategic planning, including long-term financial and asset management planning.

The IP&R framework requires councils to prepare a suite of plans including a Long-Term Financial Plan (10 years+) and an Asset Management Policy, Strategy and Plans (10 years+).

The Government has introduced provisions for the Auditor-General to oversee 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.

In 2017–18 the Government continued to provide oversight and support for councils developing and implementing Long-Term Financial and Asset Management Plans to improve their financial sustainability.

The Auditor-General’s Report on Local Government 2017–18 noted that the overall timeliness of financial reporting has improved on the previous period but also noted ongoing issues with the overall quality of financial statements.

The Office of Local Government is continuing to continue to work with the Auditor-General to support councils to improve their financial performance, reporting and systems to ensure they are best placed to ability to provide key services and infrastructure to the local community.

The local government sector in NSW now has a solid basis to continually review and improve long term financial and asset management planning to ensure these plans are effectively implemented as an integrated part of council's operations.

Actions to develop and implement comparative performance measures for 2017–18

This year marks the 28th year of the publication of freely available time series data by the NSW Government on NSW local councils to enable comparisons against a range of performance indicators between councils and over time.

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

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 will be updated annually as new data becomes available.

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

Moving forward, the Government is continuing work with the local government sector to build a new and robust local government performance measurement framework. The NSW Government is also exploring alternative of ways to improve the accessibility of usefulness of this information.

Reforms undertaken during 2017–18

In 2017–18, the NSW Government worked to consolidate 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.

Initiatives undertaken and services provided by local government to Aboriginal and Torres Strait Islander communities for 2017–18

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.

Local government reform actions including deregulation and legislative changes during 2017-18

The NSW Government continued to implement reforms from previous periods including the implementation of Joint Organisations and the first council elections for newly merged councils.

The package of local government reforms continues the NSW Government's focus on helping councils to be best placed to deliver infrastructure and services for their communities.

As the focus was on the implementation and embedding of reforms previously undertaken, there has been less focus on new reform initiatives and legislative change.

Report from Local Government NSW (LGNSW)

Developments in the use of long term financial and asset management plans by local government

Finance Summit

LGNSW continued with its series of annual finance conferences in 2017. The summits focus on improving the financial sustainability of local government. This includes driving improvements in council performance and developing advocacy to improve the policy frameworks within which councils operate, particularly reform of the rating system and intergovernmental fiscal transfers (e.g. Federal grants). The 2017 summit focussed on funding and management of local infrastructure with particular attention to reducing infrastructure backlogs.

This was supported by ongoing advocacy to have the NSW Government move forward with the financial reforms recommended by the Independent Local Government Reform Panel (ILGRP) in 2013.

Reforms undertaken to during 2017–18 to improve efficiency and effectiveness of local government service delivery

Procurement

Local Government Procurement (LGP) is a wholly-owned entity of Local Government NSW. LGP adds value by getting the best possible deal when procuring goods and services, saving councils time and money.

LGP saved the sector \$27 million in costs for goods and services during 2017–18 and delivered specialised procurement training to more than 900 local government staff. In addition, LGP allocated \$1.1 million in rebates for regional organisations of councils, joint organisations and councils.

In 2017–18 the local government sector spent \$655 million through LGP contracts delivering value through negotiated pricing, access to leading and local suppliers and by reducing procurement risk. LGP had 33 contracts in operation, encompassing more than 960 LGP-approved contractors. LGP negotiates these on behalf of members using bulk purchasing power to secure the best possible value for money and sector-specific solutions. LGNP continues to expand its range of service offerings to benefit councils.

Skills/Professional Development

LGNSW launched a Local Government Capability Framework, describing knowledge, skills and attributes for elected representatives and employees in the sector and launched PD in a Box to guide professional development for elected members. LGNSW provided professional development via training, coaching, e-learning and mentoring in Sydney and regional NSW to nearly 9,000 councillors and staff to help them build their skills and knowledge.

Asbestos

LGNSW assisted councils with asbestos policy through advocacy, training and awareness-raising throughout the year. More than 180 council staff attended one of our Model Asbestos Policy for Councils forums. Seventy-five councils had policies in place by the end of June 2018.

We also worked with NSW Government agencies and other stakeholders to improve asbestos planning and guidance materials.

Planning

During 2017–18 many NSW councils were proactive and innovative in how they are managing the pressure for development. LGNSW's 2017–18 planning awards showcased numerous examples of councils initiating procedural change within their organisational structure to improve planning and development services. Councils have reviewed and improved development application (DA) assessment processes in a range of innovative ways:

- **Online processing and team building** – Singleton Shire Council developed a more efficient way of assessing DAs by introducing online processing. This transformative process resulted not only in a more collaborative team environment within council, sharing the decision-making process, but also led to better customer service and outcomes for communities. Randwick City Council introduced on-line DA lodgement and improved internal processes which resulted in time and cost savings.
- **Sharing resources and expertise** – Two rural councils (Moree Plains and Narrabri Shire councils) chose to share expertise in assessing DAs across both council areas that resulted in a more agile and resilient workforce, cost savings and more robust peer-review outcomes.
- **Managing workload** – A Workload Management Tool developed by Bayside Council provides feedback to the DA officer on tracking the assessment process of DAs to improve timely decisions.
- **Improving advisory and processing services** – Sutherland Shire Council has been a pioneer in moving to on-line DA processing for more than a decade, and in 2017 the council delivered the final step in its online DA assessment process by introducing a system that allows residents to make electronic submissions which are published within a day of the neighbour notification period ending. The 'E-Submissions project' resulted in a more efficient process, enabling better stakeholder engagement and reducing hostility within the assessment process. Camden Council introduced a new framework with multiple changes to streamline its development approval processes. This created the capacity and readiness for council to deal with significant growth and maintain housing approvals in less than 40 days. In 2017, the council reported that it was producing the highest number of detached housing approvals in NSW. Tamworth Regional Council reinvented its approach to planning and development services by establishing an online and at-the-counter 'Development Hub'.
- **Developer Toolkits** – Blacktown City Council produced a Toolkit for Developers to provide clear advice to applicants on the standards and design of stormwater management systems. (This had been identified as a significant obstacle in the DA process).

Food safety inspection electronic platform

Following LGNSW advocacy, councils worked with the NSW Government to develop a business case for a single electronic platform to make council food safety inspections more efficient and allow consistency and comparison between councils. In March 2018 the NSW Food Authority sought expressions of interest for a scoping study for a platform and invited LGNSW to be part of the tender evaluation and study steering committee.

Inclusive tourism

During 2017–18 LGNSW led a project to encourage councils, tourism operators and businesses to tap into the important and potentially lucrative inclusive tourism market, which is expected to grow to 25 per cent of the total market by 2020. We launched a free online learning course in February 2018 and held 10 workshops attended by 234 people – mainly council staff, accommodation providers and local tourism operators – to raise awareness of the benefits of inclusive tourism and how facilities and services could be improved to attract visitors.

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

Aboriginal and Torres Strait Islander candidates for the 2017 local government elections

In the lead up to the September 2017 local government elections, LGNSW continued to promote its online toolkit and resource developed with the Office of Local Government to encourage Aboriginal and Torres Strait Islander people to stand for election. The proportion of Aboriginal local government councillors falls short of the 2.5 per cent in the NSW population. Councils are stronger when they more accurately reflect the diversity of their local communities, including Aboriginal and Torres Strait Islander communities. Greater participation of Aboriginal peoples and Torres Strait Islanders in local government also has significant benefits in enhancing the delivery of services, infrastructure and programs for the community.

Report from the Victorian Government

Victoria Grants Commission methodology: 2017–18 grant allocation

The Victoria Grants Commission determines the allocation of financial assistance grants (general purpose and local roads grants) in accordance with the national principles formulated under the Commonwealth Local Government (Financial Assistance) Act 1995.

Methodology for general purpose grants

The Victoria Grants Commission's methodology for allocating general purpose grants takes into account 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, taking into account 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 Victoria Grants Commission's general purpose grants methodology, standardised expenditure is calculated for each council on the basis of nine 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 nine expenditure functions in the Victoria Grants Commission's model matches the pattern of actual council expenditure.

The total recurrent expenditure across all Victorian councils in 2015–16 was \$7.840 billion. Under the Victoria Grants Commission's methodology, the gross standardised expenditure in the allocation model for 2017–18 therefore also equals \$7.840 billion, with each of the nine 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 in Table 16.

Table 16 Victoria's major cost drivers and average expenditures

<i>Expenditure function</i>	<i>Major cost driver</i>	<i>Average expenditure per unit (\$)</i>
Governance	Population (adjusted)	59.51
Family and community services	Population	140.38
Aged and disabled services	Population >60 + disability pensioners + carer's allowance recipients	392.24
Recreation and culture	Population	293.60
Waste management	Number of dwellings	330.83
Traffic and street management	Population	130.52
Environment	Population (adjusted)	62.52
Business and economic services	Population (adjusted)	162.98

Several different major cost drivers are used. These are viewed by the Victoria Grants Commission as being the most significant determinant of a council's expenditure need for a particular function.

For three expenditure functions (governance, environment, and business and economic services), an adjusted population is used as the major cost driver to recognise the fixed costs associated with certain functional areas.

The major cost drivers used to assess relative expenditure needs for these functions take account of high rates of vacant dwellings at the time of the census. 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 above average rates of vacancies on census night. Councils with a population of less than 20,000 are deemed to have a population of 20,000; and
- for the Environment and Business & Economic Services functions actual populations are adjusted upwards to reflect above average rates of vacancies on census night. Councils with a population of less than 15,000 are deemed to have a population of twice that amount, up to a maximum of 15,000.

Cost adjustors

A number of cost adjustors are used in various combinations against each function. These allow the Victoria Grants Commission to take account of the particular characteristics of individual councils which impact on the cost of service provision on a comparable basis. Each cost adjustor has been based around a State weighted average of 1.00 with a ratio of 1:2 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 to calculate the 2017–18 general purpose grants are: aged pensioners, population growth, economies of scale, population less than six years, environmental risk, regional significance, Indigenous population, remoteness, language, socio-economic, population dispersion and 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.

For 2017-18, in addition to altering the major cost driver for the Business & Economic Services function, the Victoria Grants Commission changed the application of cost adjustors in the Recreation & Culture expenditure function. The Victoria Grants Commission received representations from a number of councils with high levels of non-English speaking proficiency about the impact of low-English proficiency on service delivery. In response, and following its own analysis, the Victoria Grants Commission applied the language cost adjustor in assessing expenditure needs for the Recreation & Culture expenditure function, with a weighting of ten per cent, and removed population growth as a cost adjustor for that 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 (based on actual grants received by local government in 2016-17) is shown in Table 17.

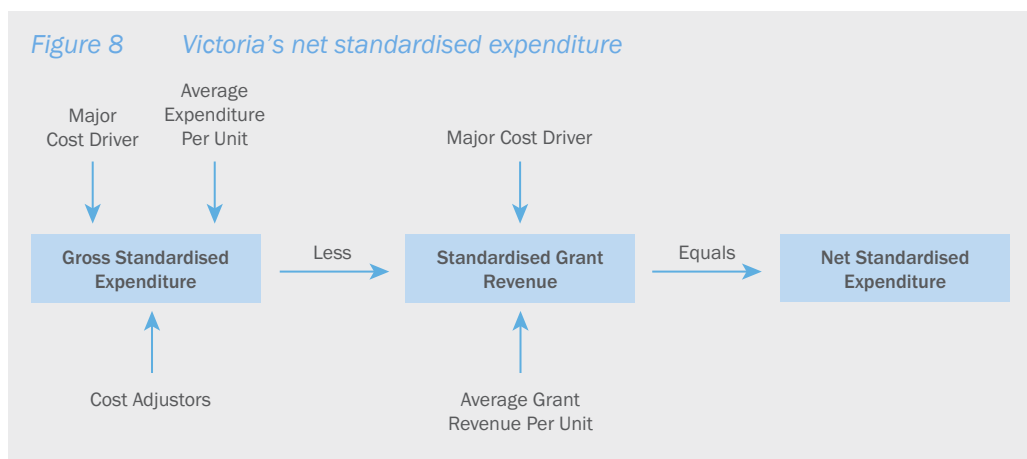
Table 17 Victoria's average grant revenue

<i>Expenditure function</i>	<i>Major cost driver</i>	<i>Average grants per unit (\$)</i>
Governance	Population (adjusted)	1.64
Family and community services	Population	35.26
Aged and disabled services	Population > 60 + disability pensioners + carer's allowance recipients	182.85
Recreation and culture	Population	6.41
Waste management	Number of dwellings	0.39
Traffic and street management	Population	2.44
Environment	Population (adjusted)	1.17
Business and economic services	Population (adjusted)	1.96

Net standardised expenditure (for each function)

The calculation of net standardised expenditure for each expenditure function is shown in Figure 8.

Figure 8 Victoria's net standardised expenditure



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 Victoria Grants Commission's local roads grants model. As outlined later, this incorporates a number of cost modifiers (similar to cost adjustors) 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 program grants) from gross standardised expenditure.

The total standardised expenditure for each council is the sum of the standardised expenditure calculated for each of the nine 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 three year average of valuation data.

The derivation of the average rates for each property class is shown in Table 18.

Table 18 Victorian property classes' average rates

Category	Total average valuations (\$ billion)	Total rate revenue (\$ billion)	Average rate (\$ billion)
Residential	1 158.746	3.568	0.00308
Commercial/industrial/other	220.183	0.834	0.00379
Farm	77.142	0.267	0.00346

The Victoria Grants Commission constrains increases in each council's assessed revenue capacity to improve the stability of grant outcomes. The constraint for each council has been set at the state-wide 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 standardised revenue calculation.

For each council and each of the nine 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 adjustors' to account for differences between municipalities in their capacity to generate fees and charges, due to their characteristics.

The standard fees and charges used for each function (based on adjusted median actual revenues generated by local government in 2015-16) are shown in Table 19 along with the revenue adjustors.

Table 19 Victorian standard fees and charges

Expenditure function	Major driver (units)	Standard fees and charges per unit (\$)	Revenue adjustors
Governance	Population	15.43	Nil
Family and community services	Population	10.18	Socio-economic
Aged and disabled services	Population > 60 + disability pensioners + carer's allowance recipients	43.64	Household income
Recreation and culture	Population	21.88	Valuations (per cent commercial)
Waste management	Number of dwellings	24.83	Nil
Traffic and street management	Population	10.10	Valuations (per cent commercial)
Environment	Population	1.18	Nil
Business and economic services	Population	30.21	Tourism + value of development
Local roads and bridges	Population	1.97	Nil

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

Limits to Grant Movements

With the resumption of indexation of the general purpose grants pool in 2017-18, the Victoria Grants Commission loosened its grant movement parameters.

For general purpose grants, the parameters for 2017–18 grants were:

- Increases limited to 10.0%; and
- Decreases limited to -10.0%.

Methodology changes

The Victoria Grants Commission continued to review and adjust its allocation methodology during 2016–17, and made several changes to the general purpose grants methodology for the 2017–18 allocations.

As a result:

- the assessment of relative need for the Recreation & Culture expenditure function was altered to give recognition to the needs of non-English speakers in the community;
- the assessment of relative need for the Business & Economic Services expenditure function was altered to give greater recognition to non-resident populations; and
- the assessment of rate revenue raising capacity was altered to accommodate the introduction of rate capping for Victorian councils.

In addition, the Victoria Grants Commission undertook a major review of the method of assessment of relative needs for its Waste Management expenditure function, drawing heavily on data provided by councils for 2015–16. That review concluded that a change in the cost driver (number of dwellings) used to assess relative expenditure needs for that function was not warranted.

Minimum grants

The available general purpose component for Victorian councils represents, on average, 68.50 per head of population (using Australian Bureau of Statistics population estimates as at 30 June 2016). 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 20.55 for 2017–18).

Without the application of this principle, 2017–18 general purpose grants for 13 councils — Bayside, Boroondara, Glen Eira, Hobsons Bay, Kingston, Manningham, Melbourne, Monash, Moonee Valley, Port Phillip, Stonnington, Whitehorse and Yarra — would have been below the 20.55 per capita level. The minimum grant principle has resulted in the general purpose grants to these councils being increased to that level.

Estimated entitlements 2017–18

A summary of the changes in estimated general purpose component allocations from 2016–17 to 2017–18 is shown in Table 20.

Table 20 Victorian changes from 2016-17 to 2017-18 for estimated general purpose

Change in general purpose grant	Number of councils
Increase of ten per cent (upper limit)	5
Increase of five per cent to ten per cent	14
Increase of zero per cent to five per cent	53
No change	0
Decrease of zero per cent to five per cent	3
Decrease of five per cent to ten per cent	1
Decrease of ten per cent (lower limit)	3
Total	79

Natural disaster assistance

The Victoria Grants Commission provides funds from the general purpose grants 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 help with repairs and restoration work. This funding is taken from the available general purpose grants pool prior to the allocation.

Nineteen grants to 11 councils were allocated in 2017-18, totalling \$596,913.

Recommended natural disaster assistance grants from the 2017-18 allocation are outlined in Table 21.

Table 21 Victorian natural disaster assistance grants

Natural disaster assistance for 2017-18		Amount (\$)
Alpine (S)	Floods	35 000
East Gippsland (S)	Floods and Bushfire	70 000
Hepburn (S)	Floods	35 000
Hindmarsh (S)	Bushfire	35 000
Indigo (S)	Bushfire	35 000
Latrobe (C)	Floods and Bushfire	51 286
Moorabool (S)	Bushfire	35 000
Pyrenees (S)	Storms and Floods	70 000
Wellington (S)	Floods	35 000
Yarra Ranges (S)	Storms (5 events) and Floods	160 627
Yarriamback (S)	Bushfire	35 000
Total		596 913

Support for rural councils

The Victorian Government's Living Libraries Infrastructure Program provides funding to councils to support the provision of public library infrastructure, including the development of new libraries and the extension or refurbishment of existing facilities.

Grants totalling \$4.27 million were provided in 2017-18 to support 15 projects.

Matching contributions are required from most councils for grants provided under this program. However, for councils with a population of less than 15,000, no matching contribution was

required for grants allocated in 2017–18. This reflects the particular challenges small rural councils have in providing high quality infrastructure and services to their communities.

Five of the grants allocated under this program in 2017–18 were to small rural councils for which no matching contribution was required.

Methodology for local roads funding

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

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

Road and traffic volume data

The allocation of local roads grants for 2017–18 was based on road length and traffic volume data reported by all councils for the 12 months to June 2016.

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

Victorian councils reported a total of 130,501 kilometres of local roads as at 30 June 2016, a decrease of 48 kilometres, or 0.04 per cent less 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. In two cases where, after additional consultation with the councils concerned, the Victoria Grants Commission was not able to be satisfied with the veracity of their local roads data changes, the proposed changes were not accepted by the Victoria Grants Commission.

Variations in local road length is summarised in Table 22.

Table 22 Variations in Victoria's local road length

<i>Change in length of local roads</i>	<i>Number of councils</i>
Increase of more than five per cent	1
Increase of one per cent to five per cent	12
Increase of up to one per cent	25
No change	34
Decrease of up to one per cent	1
Decrease of one per cent to five per cent	5
Decrease of more than five per cent	1
Total	79

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 2017-18 allocations were unchanged from the previous year and are shown in Table 23.

Table 23 Victorian asset preservation costs

Local road type	Daily traffic volume range	Annual asset preservation cost \$/km
Urban	<500	7 200
	500-<1 000	9 800
	1 000-<5 000	13 200
	5 000+	21 400
Rural	Natural surface	700
	<100	5 000
	100-<500	10 400
	500-<1 000	11 600
	1 000+	13 200
Timber bridge		200/square metre
Concrete bridge		120/square metre

Cost modifiers

The formula for allocating 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 five 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; and
- 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.

No changes were made to the cost modifiers for the 2017-18 allocation.

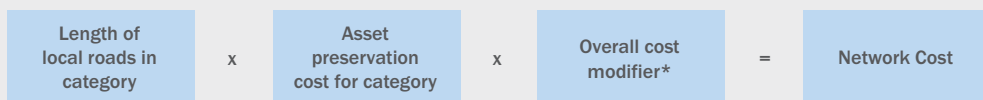
Grant calculation

The Victoria Grants Commission calculates a total network cost for each council's local roads. This represents the relative annual costs faced by the council to maintain its local road and bridge networks, based on average annual preservation costs and taking into account 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.

Mathematically, the calculation of the network cost for a single traffic volume range for a council is illustrated in Figure 9.

Figure 9 Victorian calculation of the network cost for a single traffic volume range



* Overall cost modifier is calculated by multiplying the cost modifier for freight, climate, materials, reactive sub-grades and strategic routes.

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

Limits to Grants Movements

During the 'pause' on indexation, the Victoria Grants Commission constrained movements in local roads grant outcomes for individual councils. With the resumption of indexation in 2017–18, the Victoria Grants Commission removed the constraints on movements in local roads grant outcomes.

Estimated entitlements 2017–18

In general, where a significant change occurred in a council's local roads grant for 2017–18, this was due to a combination of: significant changes in traffic volume data supplied by the council to the Victoria Grants Commission; and/or the impact of removing the constraints on grant movements.

A summary of the changes in estimated local roads grant entitlements from 2016–17 to 2017–18 is shown in Table 24.

Table 24 Victorian changes in estimated local roads grant entitlements

<i>Change in local roads grant</i>	<i>Number of councils</i>
Increase of 10 per cent (upper limit)	2
Increase of 5 per cent to 10 per cent	7
Increase of zero per cent to 5 per cent	66
No change	0
Decreases	4
Total	79

Developments in the use of long term financial and asset management plans by local government

Fair Go Rates System

The introduction of the Fair Go Rates System (FGRS) from 1 July 2016 applied a cap to rate rises by Victorian councils. For the 2017–18 financial year the cap was set at 2.0 per cent (2.5 per cent in 2016–17). The rate cap percentage is set annually by the Minister for Local Government following consideration of advice received from the Essential Services Commission.

The FGRS policy aims to ensure council rates remain sustainable while keeping the cost of living down for Victorians. Local governments have therefore continued to focus on maximising value for money while also budgeting and planning for long term financial sustainability. Local governments can apply for a higher cap if they can demonstrate community support and a need for spending on services or projects that requires a rate rise above the capped amount.

Finance and Accounting Support Team

Victorian councils are responsible for managing over \$102 billion in infrastructure and assets, which impacts their finances significantly. Robust asset management practices are therefore required to ensure Victorian councils maintain and renew these long-lived assets appropriately to remain financially sustainable over the long term.

The local government Finance and Accounting Support Team (FAST) program was announced in the 2016–17 Victorian Government budget. FAST is a four year program that is designed to improve the financial sustainability of local governments, particularly those in rural and regional Victoria. In 2017–18, the FAST program included projects to assist Victorian councils with the development of long-term financial plans and improved asset management planning and practices. This work will improve council preparedness for the longer-term strategic planning aspects proposed as part of planned legislative reforms.

Long-term Financial Planning

The Local Government Act Review, a major project undertaken by the Victorian Government to review the Local Government Act 1989, resulted in the release of an exposure draft of the Local Government Bill in December 2017. The exposure draft included requirements for Victorian councils to develop, adopt and review a ten-year financial plan and a ten-year asset plan. Improved alignment between long term financial plans, asset management plans, strategies and budgets underpinned by deliberative engagement with communities continues to be a government priority and the exposure draft Bill reflected the intent for greater alignment in

legislation. The Local Government Bill 2018 was introduced into the Parliament, but was not passed before the Parliament was prorogued prior to the 2018 Victorian State election.

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

Local Government Performance Reporting Framework and the Know your council website

In November 2015, the Victorian Minister for Local Government launched the *Know your council* (www.knowyourcouncil.vic.gov.au) website, which is designed to improve council transparency and accountability and to make it easy for the community to access and compare council performance.

The website, based on Victoria's Local Government Performance Reporting Framework (LGPRF), requires all Victorian councils to collect performance data and report against 59 performance indicators each year across 11 different service areas, including finance, roads, waste and libraries. The framework also includes a checklist of 24 items considered essential for supporting good governance and management in local government.

The 2016–17 data was launched online in December 2017, which is the third year of data on the website and allows users to begin to see trends in council performance, as well as compare councils and how they perform year on year. The data is often accompanied by a narrative provided by councils, which gives context to readers.

The website has been nominated for a number of national awards. In 2016, the site was awarded Runner Up of the Government 2.0 category at the Australian Government ICT Awards in Sydney, and shortlisted for the IPAA Prime Minister's Awards in Canberra. The Know Your Council website has shown to be a popular resource, with several other jurisdictions around Australia and overseas showing interest in developing a similar resource, with more than 500,000 unique users visiting the site since it was launched.

The framework was recognised by the Australian Productivity Commission in its "*Shifting the Dial: 5 year productivity review*" released in October 2017, in which the Commission encouraged other state and territory governments to draw on Victoria's example and experience with performance reporting. Outside the immediate benefit to state and territory governments, a recommendation for other jurisdictions to develop similarly structured reporting framework would allow for national comparison of local government performance.

Continuous improvement of the framework and website is being governed by a local government steering committee with representation from peak local government bodies, Ratepayers Victoria and representative council CEOs. A series of technical working group meetings have been held during 2017–18 with service area specialists and LGPRF coordinators from the sector to review the existing framework and website. These meetings informed the future direction of the framework and website, including potential changes to existing indicators, addition or removal of indicators, and website enhancements.

In addition to comparative reporting and benchmarking, the *Know Your Council* website has important profile information about each council, including population data, details of councillors, grant funding and geographic information on council areas, a council directory, a guide to councils with information about how councils work, and the range of services delivered.

Reforms undertaken during 2017–18 to improve the efficiency and effectiveness of local government service delivery

A \$1 million commitment from the 2017-2018 Victorian State Budget provided for the establishment of the Rural and Regional Councils Sustainability Reform Program. The Program aimed to identify barriers and challenges, and to propose options to provide long-term financial and operational sustainability for rural and regional councils.

KPMG was commissioned to undertake a body of work to better understand the challenges and options for rural council sustainability. This work was completed under the guidance of a steering committee comprising representation from Rural Councils Victoria, Regional Cities Victoria, Municipal Association of Victoria, Local Government Professionals, Victorian Local Government Association, Department of Treasury and Finance, Department of Premier and Cabinet and Regional Development Victoria.

A copy of the report and appendices can be found at: <https://www.localgovernment.vic.gov.au/grants/rural-and-regional-councils-sustainability-reform>.

The KPMG report led to the release in 2018–19 of the \$20m Rural Councils Transformation Program, which offered a competitive, unmatched grant program for rural and regional councils to enter into regional shared services delivery at a scale not previously achieved. Four regional groupings of councils covering 19 councils across the state were successful in accessing funding under this program.

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

In 2017–18, initiatives focused on supporting Aboriginal self-determination, strong partnerships and service delivery arrangements between local governments and Aboriginal communities in Victoria.

Review of the Victorian Aboriginal and Local Government Action Plan

The Victorian Aboriginal and Local Government Action Plan (Action Plan) was launched in December 2016 as a foundational element of the Victorian Government's approach to actively advance the interests of Aboriginal people in the roles of councils.

Important initiatives established through the initial Action Plan have been achieved in 2017–18, including:

- Maggolee website (www.maggolee.org.au) as a central information hub for local government and Aboriginal initiatives and as a platform to celebrate excellence and improved practice among Victorian local governments and Aboriginal partnerships;
- scoping study investigating a reconciliation evaluation tool for local councils to measure and continually improve reconciliation action in their communities;
- sponsorship of the annual LGPro Aboriginal Partnerships Award for Excellence to highlight and support leading Aboriginal and local government partnerships;
- sponsorship for the annual Reconciliation Victoria HART (Helping Achieve Reconciliation Victoria) Awards celebrating reconciliation partnerships in local government;
- engagement of the Municipal Association Victoria-led forums to support local governments strengthen Aboriginal businesses via procurement;

- engagement of an independent consultant to conduct a feasibility study focused on identifying how to improve procurement outcomes from Aboriginal businesses across local governments generally and with a specific focus on three local governments within one Recognition and Settlement Agreement area;
- sponsorship of four local government staff across Victoria to attend Supply Nation Expo, Sydney May 2018, to build awareness within local governments of Aboriginal business opportunities; and
- ongoing support and training for local government staff to implement local government strategies of the Recognition and Settlement Agreements under the Traditional Owner Settlement Act 2010.

After three years of implementation, the Action Plan will be reviewed through 2019–20. The review will build on the success of the current Action Plan by advancing the principles of and reflecting the Victorian Government’s broader commitment to Aboriginal self-determination. An independent Aboriginal business is undertaking the review which is expected to be completed by early 2020.

Local Government Engagement Strategies under the Traditional Owner Settlement Act 2010

Local Government Victoria has responsibility for the Local Government Engagement Strategies that may arise from the Recognition and Settlement Agreements.

Local Government Victoria has continued facilitation of the Local Government Engagement Strategy of the Dja Dja Wurrung and Gunaikurnai Recognition and Settlement Agreements.

Local Government Victoria has facilitated workshops, meetings, council updates and training sessions with councils and Dja Dja Wurrung organisations to increase engagement in, and facilitate actions under, the Recognition and Settlement Agreement, and is establishing support for councils in the Gunaikurnai (nine local governments) and Taungurung (14 local governments) agreement areas, in partnership with Traditional Owners.

Local Government Victoria continues to work collaboratively with the Department of Justice and Community Services to support councils implement Local Government Engagement Strategies as other Recognition and Settlement Agreements progress state-wide.

Local Government Reform Activities, including Deregulation and Legislative Changes

Legislative Reform

The Victorian Government continued an extensive review of the Local Government Act 1989 in 2017–18. The release of the exposure draft Bill in December 2017 was the fourth and final stage of public consultation on the proposed new legislation. The Government provided a three-month window for comments on the proposed Bill before taking it into the Victorian Parliament proposing that it become the Local Government Act 2018.

Consultation on the exposure draft included 29 forums involving mayors, councillors, council CEOs and community and ratepayer representatives. Forums were held in Ararat, Bendigo, Benalla, Echuca, Hamilton, Maryborough, Morwell, Shepparton, Torquay, as well as multiple Melbourne CBD and municipal council locations.

The Victorian Government received 190 submissions in response to the draft Bill and 68 councils out of 79 provided a submission. Notwithstanding that the Bill is wide-ranging in its impacts, in overall terms, 84 per cent of submissions either supported the Bill or did not oppose it with only 16 per cent opposing the Bill.

The Bill aimed to:

1. clarify the role and powers of Councils and create an easy-to-read Act;
2. strengthen local democracy and governance; and
3. facilitate modern, efficient and innovative Council practices.

The new Local Government Act will be a leading example of modern and progressive principles-based legislation, moving away from reliance on detailed, prescriptive rules. Instead, it will remove unnecessary prescriptive detail about processes and enable decisions to be made, powers exercised, or functions performed in line with certain broadly-stated principles.

Existing prescriptive provisions, in the Local Government Act 1989, relating to matters such as meeting procedures, types of committees, procurement, debt and lending limits are removed. Autonomy is provided to councils to develop and adopt their own policies and procedures in accordance with principles of transparency, accountability and sound financial management.

In May 2018, the Local Government Bill 2018 was introduced into the Victorian Parliament. It passed the Legislative Assembly on 21 June 2018 and was second read in the Legislative Council on that day. The Bill was not considered by the Legislative Council and so lapsed when Parliament was recessed for the State election in November 2018.

Report from the Queensland Government

The methodology used for distributing funding under the Financial Assistance Grant program to local government for 2017–18

Local roads component

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

In the opinion of the Queensland Local Government Grants 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 that point in time. The methodology complies with the National Principles and there were two minor changes made for the 2017–18 grant allocation. These minor changes related to the averaging of land valuations, as well as the location cost adjustor, and are discussed below.

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 general purpose component. In 2017–18 this amount equated to 20.38 per capita. The remaining 70 per cent of the general purpose component 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 that are 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 application of these averages, the Queensland Local Government Grants 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 Queensland Local Government Grants Commission uses the revenue categories of: rates, other grants and subsidies, garbage charges, and fees and charges.

The rating assessment has remained: the total Queensland rate revenue is divided by the total Queensland land valuation, to derive a cent in the dollar average, which is then multiplied by each council's total land valuation. Both the Queensland total and individual council valuation figures below are an average of ten years, to avoid excessive fluctuations. As mentioned above, there was a minor change to the methodology with both the State total and individual Council valuation figures now averaged over five years, to ensure the most current data is factored into the calculation. This assessment is illustrated in Figure 10.

Figure 10 Queensland rating assessment

$$\frac{\text{State total rate revenue}}{\text{State total valuation (5 year average)}} = \text{cent in the dollar average} \times \text{council total valuation (5 year average)}$$

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. The methodology uses three of the indices: Index of Relative Socio-Economic Advantage and Disadvantage (Socio-Economic Indexes for Areas 2); Index of Economic Resources (Socio-Economic Indexes for Areas 3); and Index of Education and Occupation (Socio-Economic Indexes for Areas 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.

Fees and charges are averaged on a per capita basis. Garbage revenue is averaged on the basis of the number of bins 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 Queensland Local Government Grants Commission are included as revenue according to the actual amounts received by council. Three grants are included by the Queensland Local Government Grants 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 component of the Financial Assistance Grant program (100 per cent).

Table 25 provides summary information on the drivers and units of measurement for each revenue category.

Table 25 Queensland revenue assessment model

Revenue category	Revenue driver(s)	Unit of measure (state average)
Rates	Total valuations	Average cent in dollar rates: 0.008
Garbage charges	Residential properties	\$494 per residential property
Fees and charges	Population	\$334 per capita
Other grants	Actual grants received	Identified road grant component of the Financial Assistance Grant program (50 per cent used) Queensland Government Financial Aid (20 per cent) Minimum grant component of the general purpose component of the Financial Assistance Grant program (100 per cent)

Assessing expenditure

With regards to the expenditure assessment, the Queensland Local Government Grants Commission includes nine 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; and roads and environment.

The Queensland Local Government Grants Commission considers cost adjusters that are applied to service categories to allow for the differences in service delivery across the State. Table 26 outlines the expenditure categories, the units of measure and the cost adjusters applied to assess the cost of service provision.

Table 26 Outline of expenditure assessment 2017–18

Service expenditure category	2017–18 unit of measure	Services cost adjusters		
		Location	Demography –Indigenous; Age; Indigenous/ age	Scale
Administration	Actual remuneration category + \$381 per capita + \$372 per property/\$127 per capita (Indigenous councils)	✓		✓
Public order and safety	\$31 per capita	✓	✓	✓
Education, health, welfare and housing	\$26 per capita	✓	✓	✓
Garbage and recycling	\$362 per residential property /\$115 per capita (Indigenous councils)	✓		✓
Community amenities, recreation, culture and libraries	\$221 per capita	✓	✓	✓
Building control and town planning	\$154 per residential property/\$49 per capita (Indigenous councils)	✓		✓
Business and industry development	\$41 per capita	✓		✓
Environment	\$94 per residential property/\$32 per capita (Indigenous councils)	✓		✓
Roads	Road expenditure assessment	✓		✓

Roads expenditure

The Queensland Local Government Grants Commission uses an asset preservation model to assess road expenditure and estimate the cost to maintain a council's road network, including bridges and hydraulics. Table 27 provides the dollar values allocated on the basis of traffic volumes and applied cost adjusters.

Table 27 Queensland road expenditure assessment model

	Traffic volume range (adjusted vehicles per day)	Base cost (\$/km)	Cost adjustors (per cent)									
			Climate		Soil sub-grade		Locality on-cost		Terrain			
			Favourable (TI -50)	Adverse (TI +100)	Good (CBR>10)	Poor (CBR<5)	MR Reactive	<1.0p/km ²	<0.1p/km ²	Undulating	Hilly	Mountainous
Rural	Unformed	341	0	25	0	0	0	5	10	2	5	0
	<40	681	0	20	0	0	0	5	10	2	5	0
	40-150	3 255	0	20	0	10	10	5	10	2	5	0
	150-250	5 916	-10	15	-5	10	10	2.5	5	2	5	10
	250-1000	8 353	-7.5	10	-5	10	10	2.5	2.5	2	5	10
	1 000-3 000	10 577	-7.5	10	-5	10	10	2.5	2.5	2	5	10
	>3 000	14 567	-7.5	10	-5	10	10	2.5	2.5	2	5	10
Urban	<500	11 638	-7.5	10	-2.5	5	5	2.5	2.5	0	2	5
	500-1 000	18 098	-7.5	10	-2.5	5	5	2.5	2.5	0	2	5
	1 000-5 000	28 771	-7.5	10	-5	10	10	2.5	2.5	0	2	5
	5 000-10 000	52 185	-7.5	10	-5	10	10	2.5	2.5	0	2	5
	>10 000	89 190	-7.5	10	-5	10	10	2.5	2.5	0	2	5

Notes: TI = Thornthwaite Index
 CBR = California Bearing Ratio
 MR = 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 28.

Table 28 Queensland allowances given for heavy vehicles

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

Cost adjustors

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

- location – represents the additional costs in providing services related to the council location, and this is based on the Accessibility/Remoteness Index for Areas

- scale — recognises economies of scale and is based on a sliding scale from one to two, with any council with a higher population than the average having a cost adjustor of one and the smallest council in Queensland with an adjustor of two
- 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 one to two, reflecting the proportion of residents who are aged, young, Indigenous, and Indigenous people over 50 years of age.

Table 26 identifies which cost adjustors are applied to the service categories.

Scaling back

The Queensland Local Government Grants 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 2017–18.

Application of the minimum grant principle

In 2017–18, the Queensland Local Government Grants Commission determined, on the basis of the methodology, that the following councils were to receive the minimum grant component of the general purpose component 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 and Townsville City Council.

Changes to the methodology for distributing funding to local government under the Financial Assistance Grant program for 2017–18 from that used in 2016–17

There were two minor changes made for the 2017–18 grant allocation. The Queensland Local Government Grants Commission decided to move from 10-year averaging to 5-year averaging of land valuations which are used as the basis of calculating rating revenue. This was in response to the feedback received at numerous council visits and provides a more current assessment of councils' capacity to raise rates. The Queensland Local Government Grants Commission also decided to increase the location cost adjustor for Mornington Shire Council to '3' (from the normal maximum of '2'). This increases Council's assessed expenditure and treats it similarly to other very remote councils.

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

All Queensland local governments are required to have long-term financial forecasts, covering at least 10 years, and to update the forecasts annually. To assist local governments to comply with this requirement, Queensland Treasury Corporation maintains the Local Government Forecast Model. The Local Government Forecast Model is available to all Queensland local governments and includes five years of historical data and ten years of forecasts.

All Queensland Local Governments are required to prepare and adopt long-term asset management plans covering at least 10 years as part of, and consistent with, the long-term financial forecast.

In October 2017 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 are implementing 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 2017-18. This report helps 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 against other councils.

Reforms undertaken during 2017-18 to improve the efficiency and effectiveness of local government service delivery

In May 2018, the Queensland Government passed the following legislation to achieve greater integrity and sustainability in Local Government:

- The Local Government (Councillor Complaints) and Other Legislation Amendment Act 2018, which improved the councillor conduct complaints process and established an Office of the Independent Assessor to assess and investigate complaints of councillor misconduct.
- The Local Government Electoral (Implementing Stage 1 of Belcarra) and Other Legislation Amendment Act 2018, which ensured that the ban on political donations by property developers applied at both the state and local levels of government. The legislation was about increasing transparency, integrity and accountability in Local Government by strengthening the obligations for how councillors deal with conflicts of interest.

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 2017-18, \$34.007 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 program will be delivered over four years. The aim of the 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.

In 2017-18, the Queensland Government introduced the Works for Queensland (W4Q) Program supporting 65 regional councils to undertake job-creating maintenance and minor infrastructure projects. An additional \$200 million was allocated to 65 Councils in 2017-18 with \$26.45 million of this allocated to Queensland's 16 Indigenous Councils.

Other funding provided by the Queensland Government to Indigenous councils in 2017–18 included \$3.53 million under the Revenue Replacement Program, an initiative under the state’s alcohol-related harm reduction strategy for nine Indigenous local governments which compulsorily surrendered their council-held liquor licences in 2009. Funding was provided under this program to assist councils to maintain community services previously funded by the profits from alcohol sales.

Under the Indigenous Economic Development Grant program, with a total funding pool of \$1.44 million, the state continued its commitment to support Indigenous councils to employ municipal services staff. Each eligible council received \$80,000, except for Yarrabah and Palm Island Aboriginal Shire Councils and Northern Peninsula Area Regional Council, which each received \$160,000.

Additionally, in 2017–18 the Queensland Government provided subsidies for the following projects:

- \$625,000 for solid waste facility refurbishment in Aurukun Shire Council;
- \$1,257,300 for road resealing and a rehabilitation program in Palm Island Aboriginal Shire;
- \$1,155,761 for council staff housing (executive/senior management) in Woorabinda Aboriginal Shire; and
- \$500,000 for sewerage pump stations and network upgrades in Yarrabah Aboriginal Shire.

Any local government reform activities including deregulation and legislative changes or issues of strategic importance being progressed by your jurisdiction during the reporting period

Refer to the prior commentary under the ‘Reforms undertaken during 2017–18 to improve the efficiency and effectiveness of local government service delivery’ section.

Report from the Western Australian Government

The methodology used for distributing funding under the Financial Assistance Grant program to local government for 2017-18

General purpose

The Western Australian share of Commonwealth funding for 2017-18 was \$287,355,527 being 12.14 per cent of the national allocation of \$2.37 billion. WA's share consisted of \$176,085,070 for the general-purpose component and \$111,270,457 for the local roads component.

The WA Local Government Grants Commission (the Commission) continued to phase-in general purpose grant increases, due to some significant changes to grants that resulted from the methodology review (completed in 2012-13), and to apply a maximum drop to lessen the impact on local governments with rapidly declining grants. This resulted in a maximum decrease of 11.50 per cent for five local governments. Three local governments had decreases of between 0.72 per cent and 4.78 per cent. All other non-minimum grant local governments received increases between 0.07 per cent and 12.05 per cent. Road grants were calculated in accordance with the asset preservation model as in previous years.

In 2017-18, 31 local governments received the minimum grant entitlement which equated to \$20.18 per capita. This was an increase from 2016-17 when local governments received \$19.97. Collectively, the local governments receiving the minimum grant accounted for \$40.09 million (22.7 per cent) of the total general-purpose funding pool while containing 75.9 per cent of the State's population.

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

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

Indexation Pause

In the May 2014 Budget, the Commonwealth Government announced that the indexation of Financial Assistant Grants would not be applied to the national Financial Assistant Grants pool for three financial years. 2016-17 was the final year of the indexation pause and indexation returned in 2017-18. In 2017-18, Western Australia received a two per cent increase to its general purpose grant and a three per cent increase to the road allocation.

Local road

The Western Australian Local Government Grants Commission distributes local road grants using the Asset Preservation Model, which has been in place since 1992.

Under the arrangements approved for Western Australia, seven 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 Western Australian Local Government Grants 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.

Main Roads Western Australia contributes an additional third of the cost of special projects funded under this program. The amounts involved for 2017–18 are provided in Table 29.

Table 29 Allocations for special projects in Western Australia

Special projects component	Amount (\$)
Roads servicing Aboriginal communities	2 595 433
Bridges	5 190 862
Distributed according to the asset preservation model	103 484 162
Total	111 270 457

Special projects – roads servicing remote Indigenous communities

In 2017–18, the special projects funds for Indigenous access roads totalled \$3,893,150. Further information is provided in Table 30.

Table 30 Western Australian special projects funds for Indigenous access roads

Special projects	Amount (\$)
Special project funds from the Western Australian Local Government Grants Commission	2 595 433
State funds from Main Roads Western Australia	1 297 717
Total	3 893 150

The Indigenous Roads Committee advises the Western Australian Local Government Grants Commission on procedures and priorities for determining the allocations of Commonwealth road funds for roads servicing remote Indigenous 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 Aboriginal Affairs;
- Department of Local Government, Sport and Cultural Industries (DLGSC); and
- Department of the Prime Minister and Cabinet.

The Committee has established funding criteria based on factors including the number of Indigenous people serviced by a road, the distance of a community from a sealed road, the condition of the road, the proportion of traffic servicing Indigenous communities and the availability of alternative access. These criteria have provided a rational method of assessing priorities in developing a five-year program.

The Committee's recommendations are submitted to the Commission for endorsement.

Special projects – bridges

The Western Australian Local Government Grants Commission's policy for allocating funds for bridges recognises that there are many bridges 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. Details on the 2017-18 special project funds for the preservation of bridges is provided in Table 31.

Table 31 Western Australia 2017-18 special projects for bridges

<i>Special projects – bridges</i>	<i>Amount (\$)</i>
Special project funds from Commission	5 190 860
State funds from Main Roads	2 595 430
Total	7 786 290

A Bridge Committee advises the Western Australian Local Government Grants Commission on priorities for allocating funds for bridges. Membership of the Committee is made up of representatives from the following organisations: Western Australian Local Government Grants Commission; Western Australian Local Government Association; and Main Roads Western Australia.

The Bridge Committee regularly receives recommendations from Main Roads Western Australia on funding priorities for bridges. Main Roads Western Australia 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 Western Australian Local Government Grants Commission for bridge funding each year.

The Bridge Committee's recommendations are submitted to the Western Australian Local Government Grants Commission for endorsement.

Methodology review

The Western Australian Local Government Grants Commission completed a comprehensive review of its general purpose component methodology in 2012. This methodology has been applied to each grant determination in subsequent years.

General purpose grants

The Western Australian Local Government Grants Commission continues to use the balanced budget method for allocating the general purpose component. The balanced budget approach to horizontal equalisation applies to all 137 local governments in Western Australia and is primarily based on the formula:

assessed expenditure need — assessed revenue capacity = assessed equalisation requirement.

Calculation of assessed revenue capacity is based on standardised mathematical formulae 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.

Assessed expenditure need is also based on standardised mathematical formulae 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; and 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 a 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, include: location; socio-economic disadvantage; growth; population dispersion; climate; Indigenous; regional centres; terrain; off-road drainage; medical; cyclone; and special needs. Cost adjustors applied to expenditure standards are provided in Table 32.

Table 32 Western Australian cost adjustors applied to expenditure standards

Expenditure standard	Cost adjustors applied to expenditure standard
Governance	Location, socio-economic disadvantage, Indigenous, regional centres
Law, order and public safety	Location, socio-economic disadvantage, population dispersion, terrain, cyclone, special needs
Education, health and welfare	Location, socio-economic disadvantage, population dispersion, medical facilities
Community amenities	Location, socio-economic disadvantage, growth, population dispersion, regional centres, off-road drainage, special needs
Recreation and culture	Location, socio-economic disadvantage, growth, population dispersion, climate, regional centres
Transport	Not applicable

Data from a wide range of sources is used to calculate the cost adjustors applied to the expenditure standards. Wherever possible, data is collected from independent sources such as the Australia Bureau of Statistics. Data sources are provided in Table 33.

Table 33 Data sources utilised by the WA Local Government Grants Commission

Data Type	Source
Accessibility Remoteness Index of Australia (ARIA+)	National Centre for Social Applications of Geographical Information System
Socio-economic Indexes of Areas	Australian Bureau of Statistics, Catalogue: 2033.0.55.001
Population, population forecasts	Australian Bureau of Statistics, Catalogue: 3218.0 as at 3 April 2014, Western Australia Department of Planning – Tomorrow: Population Report Number 7 2006–26
Population dispersion	Australian Bureau of Statistics QuickStats for Townsite Populations
Regional centres	Determined by the Western Australian Local Government Grants Commission
Indigenous population	2016 ABS Census QuickStats
Terrain	Western Australia 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 Western Australia
Interest expenditure/investment revenue	Western Australia Treasury Corporation, Western Australian Local Government Grants Commission Information Returns
Valuations, area assessments	Landgate (Valuer-General)
Residential, commercial and industrial rates, agricultural rates, pastoral rates, mining rates	Western Australian Local Government Grants Commission Information Returns
Climate	Bureau of Meteorology

Changes to the methodology for distributing funding to local government under the Financial Assistance Grant program for 2017–18 from that used in 2016–17

Expenditure and revenue standards were calculated in the same way as 2016–17; however, equations were updated to reflect the new input data.

The Western Australian Local Government Grants Commission calculates the allocation of the general-purpose grants each year in accordance with the National Principles. At the end of the process it publishes an updated methodology guide. For 2017–18, there were a number of refinements, including the following:

Residential, commercial and industrial rates revenue standard

The Commission has changed the weightings from 65 per cent on assessments and 35 per cent on valuations to a weighting of 50 per cent on assessments and 50 per cent on valuations. The previous weightings were implemented in 2012–13.

Modelling indicated that a lower weighting on number of properties and greater weighting on valuations resulted in fewer outliers and resulted in a more balanced assessment for the majority of local governments.

Agricultural rates revenue standard

The Commission previously used weightings of 25 per cent on the number of properties, 30 per cent weighting on valuations and 45 per cent weighting on area. The old weightings had been implemented in 2012–13. For 2017–18, the Commission adopted weightings of 26 per cent on the number of properties, 39 per cent weighting on valuations and 35 per cent weighting on area.

The new weightings created a stronger correlation to actual local government rates than the previous formula and resulted in a significant improvement for a number of local governments.

Population dispersion cost adjustor

The Commission continued its ongoing review of the population dispersion cost adjustor commenced in 2016–17, removing Useless Loop, Marvel Loch, Dudinin and Pingaring. The population dispersion cost adjustor recognises the costs to local government of having to provide services to multiple towns/population sites.

The removal of the allowance for the affected local governments was phased in at a reduction of 60 per cent of the allowance for those local governments which did not have any other townsites. The phased decrease will be reviewed as part of the following year's grant determinations.

It is anticipated the Commission will continue to thoroughly review townsite eligibility and the criteria for recognition in the lead up to the 2018–19 determinations.

Equalisation Averaging

The Commission uses the 'Olympic' method of averaging. This method takes the last six years equalisations, removes the highest and lowest figures and averages the remaining four equalisations.

Capacity building initiatives to support country local governments

In 2017–18, the DLGSC continued to deliver local government capacity building initiatives. Such initiatives, funded under the Royalties for Regions' Country Local Government Fund (CLGF), totalled \$2,552,125.

CLGF 1 Project

Elected member training

During the 2017–18 period¹, a total of 144 elected members from 18 country local governments participated in the elected member training program. Over the life of the Local Government Capacity Building and Regional Reform project to June 2018, 633 country local government elected members participated in at least one training unit of the CLGF elected member training program. This represented over two thirds of councillors in regional Western Australia.

1 In early 2018, the Department of Primary Industries and Regional Development (DPIRD) agreed to the Department's request to vary the Memorandum of Understanding (MOU) for local government capacity building to reallocate part of the 2016–17 underspend and provide further training to elected members in non-metropolitan local governments. Note: The 'underspend' from the CLGF 1 program is primarily from the National Asset Management Assessment Framework (NAMAF) asset management project.

Elected member training was provided in partnership by DLGSC and Western Australian Local Government Association (WALGA). WALGA, as a Registered Training Organisation, conducted the training. Training was delivered through WALGA's elected member learning and development pathway which draws on the 'building block' competencies from the National Qualification Framework (NQF) Diploma of Local Government (LGA50712). The Diploma gives country local government elected members a good foundation to pursue further training and professional development in any aspect of their role as an elected member. Training was delivered across the State to give country local government elected members an opportunity to attend training in their own region.

Asset management

In 2017-18, 14 country local governments completed Phase 1 of the project, completing a self-assessment through the National Asset Framework. Further, 26 local governments that had already completed Phase 1 of the project went on to complete Phase 2 of the project, reporting the inclusion of increased asset condition confidence levels in an asset management plan.

CLGF 2 Project

Community Development initiative

Training workshops and scholarships were made available to local governments to upskill local government staff in community development.

In 2017-18, 14 country local governments were awarded CLGF grants for community development projects (the 'innovation fund'), and 56 local government participants from 21 local governments attended four training workshops. In addition, six scholarship grants were awarded to four country local governments for staff to participate in educational programs related to community development. Further, six "Building Strong and Successful Communities" training workshops were conducted in Mandurah, Bunbury, Kalgoorlie, Exmouth, Karratha and Perth.

Service Delivery Reviews

These reviews identified a need to support country local governments in balancing revenue constraints with increasing demand for a wider range of community services. This process assisted country local governments in considering aspirational targets (such as the construction of new community infrastructure, or expansion of a community service), elected member expectations and what could be done with existing resources.

In 2017-18, eight (8) service delivery review workshops were conducted statewide and attracted participants from 33 country local governments. Workshops were also held in Perth to give country-based staff the option to travel to a central location rather than more remote areas.

Regional development program for youth

This sub-program supported young people to address the endemic skills gap experienced across the local government workforce, particularly in regional areas impacted by high turnover.

A total of 119 employees from 38 country local governments participated in "Developing Leaders for the Future" workshops; these were delivered in Albany, Geraldton, Kalgoorlie, Manjimup, Narrogin and Port Hedland. Workshops were also held in Perth to ensure staff, statewide, could access these developmental workshops. In addition, 32 youth scholarship grants were awarded to 17 country local governments and 18 youth traineeships were offered to 16 country local governments.

Governance Review Program

The governance review program of 2017–18 was an initiative to assist selected local governments with higher level improvements in their governance policies, procedures and processes.

This initiative sought to highlight findings of the 2015 Corruption and Crime Commission Report on Misconduct Risk in Local Government Procurement, and focus on governance probity, transparency and accountability and consolidation of procedures and processes, especially in the areas of financial management, procurement, risk mitigation and efficiency. These are important elements for informed decision making, especially by elected members.

In 2017–18, the Department engaged the Australian Institute of Company Directors to undertake Governance Reviews at country local governments. The reviews found that all local governments acknowledged areas requiring improvement. Such areas were typically related to updating or finalising policies and procedures, including strategies informing integrated planning and reporting. Importantly, all local governments were committed to implementing a culture of continuous improvement and working through the issues raised. In 2017–18, governance reviews were completed by 16 country local governments. Of these, two country local governments were offered an opportunity to engage in a second governance review in 2017–18 to better address recurring areas of concern.

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

In August 2010, the State Government introduced regulations which established new requirements for the Plan for the Future under the *Local Government Act 1995*. Under the regulations, all local governments in Western Australia were required to have developed and adopted two key documents by 30 June 2013: 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 all form part of the Integrated Planning and Reporting (IPR) Framework and the Advisory Standard, which sets out associated performance measures.

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

In April 2016, the MyCouncil comparative website was launched. MyCouncil provides a place to find out how local governments are raising, spending and managing their money. The website continues to provide 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 in the first quarter of the calendar year, including in the first quarter of 2017 for the 2017–18 financial year.

MyCouncil enables users to compare key demographic and financial information. Data such as council expenditure by program, rates and other revenue and service delivery can be viewed for each council and compared with others. The financial information presented in the website is provided by local governments to the Department of Local Government, Sport and Cultural Industries (DLGSC) and the Commission. Demographic data are sourced from the ABS and local governments.

MyCouncil also includes information about each local government's financial health using the Financial Health Indicator (FHI). The FHI methodology was developed by the Western Australian Treasury Corporation with input from financial professionals working in local governments across Western Australia. These provide a guide to the financial sustainability of local government, especially when viewed as trend, and continues to provide valuable feedback to local governments which allows them to reassess and adjust their actions.

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

Regional Services Reform Unit

Local government plays a significant role in the design and investment of services in Western Australia. There are 25 local governments in Western Australia that have remote Aboriginal communities within their boundaries. Most of these local governments feature small populations, remote locations and large areas with harsh environments. There is frequently a low proportion of rates to total income, high needs and limited local economies – all impacting on the ability to deliver services.

The Regional Services Reform team is working to address the significant and historic gap between the life outcomes of Aboriginal and non-Aboriginal West Australians in regional and remote areas, with a particular focus on the Kimberley and Pilbara.

The vision for regional services reform is for Aboriginal families in regional and remote Western Australia to be more resilient and for Aboriginal communities to be stronger, focusing on long-term, systemic change. It aims to provide Aboriginal people in regional and remote areas with access to the life opportunities enjoyed elsewhere in the State.

The reform concentrates on:

- Improved living conditions that enable families to prosper and which doesn't hold them back;
- Supporting families to build their skills, and overcome any barriers to doing so, through improved service redesign and delivery; and
- Education, employment and housing opportunities, and support for families to take them up.

Collaboration between the State Government, Aboriginal people, Commonwealth Government, local government and service providers is integral to the implementation and the success of regional services reform. Through this process, local governments have been involved in providing high-level strategic advice on, and identifying opportunities for, changes that could be made to government expenditure, policies, programs and governance to improve outcomes for Aboriginal people in that region.

The Regional Services Reform Unit is working with the first 10 communities to develop a plan for each community. Collectively, these communities comprise more than 20 per cent of the total population of remote Aboriginal communities in Western Australia.

Aboriginal History (WA) Team

In September 2017 the former Department of Aboriginal Affairs Aboriginal History (WA) team became part of the Department of Local Government, Sport and Cultural Industries.

The department works in partnership with Aboriginal communities and other stakeholders to connect people to Aboriginal culture and history and promote reconciliation in the wider WA community. The activities affirm and raise awareness of the richness and diversity of Aboriginal culture and history in WA. The department's Aboriginal History Research Service (AHRs) has experienced a growing demand from Western Australia's Aboriginal community for family history information. In 2017–18, AHRs processed a total number of 1031 requests, 24 per cent greater than the number of requests received in the previous year. It also responded to 299 family history applications, 64 per cent greater than the number of applications received in 2016–17.

AHWA responds to requests from native title representative bodies, and government agencies seeking native title information. Redacted copies of information are provided to academics and researchers in response to research applications. The department works closely with many external organisations to verify ancestral information ensuring accuracy of the work and is also frequently approached to provide expert knowledge to assist in the development of significant projects.

Sport and Recreation Programs engaging with regional populations and communities

A number of programs were provided to remote communities and populations. These are not all exclusive to aboriginal populations but in many cases they are major beneficiaries.

Goldfields Trails, Outdoor Spaces and Recreation Strategy

This project was prioritised following discussion with a number of local governments, community groups and key stakeholders. There are a number of opportunities in the outdoor spaces within the region, linking into the City of Kalgoorlie-Boulder Growth Plan, tourism plans within the region and through identification that several outdoor activities are taking place in areas where they should not be undertaken; for example, off road motorcycling in residential areas and incursions into mining leases.

A focus on trails was prioritised for the 2017–18 financial year, with workshops held in May 2018 in both Kalgoorlie-Boulder and Esperance.

Northern Goldfields Activation of Open Space and Facilities

The Northern Goldfields, comprising the Shires of Menzies, Leonora and Laverton, have a number of sport and recreation facilities and open space opportunities. There are no structured sport and recreation clubs in these locations; however, some social sport opportunities exist. The local governments and community members had expressed the need for facilities to be better utilised and for there to be more activities for residents. During consultation surrounding this project and taking into account the activities being undertaken in the localities, particularly in the youth engagement space, the local governments reshaped the project into the development of sustainable models for sport and recreation in the northern goldfields communities.

Kalgoorlie Youth Project

Following several incidents in 2016 in Kalgoorlie-Boulder related to at risk youth, a Leadership Summit was convened in November 2016 and a number of outcomes and actions detailed. The Goldfields Office of DLGSC developed a number of strategies to address the outcomes from the Summit and in developing young people in the community through sport and recreation.

Great Southern Aboriginal Sport Development Program

The aim of the Wirra Sports Great Southern Aboriginal Sport Development project is to develop and maintain collaborative partnerships within the Great Southern region in order to address sport and culture (recreation) participation and capacity building within the Aboriginal community. These partnerships involve multiple stakeholders including local sporting organisations, community organisations, Aboriginal specific organisations, local government authorities, State Government agencies and individual community members.

This resulted in the Wirrpanda Foundation Ltd Great Southern Indigenous Volunteer Capacity Building – AFL Level 1 Coaching and Senior First Aid Course. The project was originally delivered to 12 local governments: Albany, Broomehill-Tambellup, Cranbrook, Denmark, Gnowangerup, Jerramungup, Katanning, Kent, Kojonup, Plantagenet and Woodanilling.

Basketball Kimberley Strategy

Building on the significant work of the previous years with Gamduwa, the three Kimberley basketball associations in Broome, Derby and Ardyaloon came together and formalised their partnership with Gamduwa to take the region's love of basketball to the next level. All associations have now affiliated with Basketball WA and with support from the peak body have established the new entity of Basketball Kimberley Inc, launched in September 2017.

Basketball Kimberley is now fully operational with funding from DLGSC and Basketball WA contributing to the delivery of national standard sport curriculum in some of the most remote communities of Australia. This includes participation programs as well as upskilling coaches, referees and administrators.

Murchison Active Communities Project

The Murchison Active Communities Project has been an ongoing flagship for several years. The communities in the Murchison sub region are very disadvantaged with poor outcomes in just about every measure including health, education, unemployment and family violence.

Previous community forums had come to the point where community leadership was identified as critical for the development of sport, cultural and other community functionality in these isolated communities. A business case was developed in partnership with local government and community:

- to identify community leaders;
- link community leaders to development opportunities and support networks;
- coordinate a calendar of events and provide support for intercommunity events such as sporting and cultural carnivals; and
- provide club development support to organisations in each community.

Pilbara Regional Club Development Network

The Pilbara Club Development Network aims to improve the quality of club development throughout the Pilbara, via the coordination and delivery of community club development initiatives. All four local government authorities in the Pilbara are involved.

One Community — Onslow

The One Community Sport Initiative aims to deliver sport in remote Western Australian communities through an integrated and collaborative approach that is community driven. Funded \$30,000 via a contract for service, V-Swans delivered the project objectives with support and input from the Onslow One Community Development Advisory Group. Initial stages of the project were facilitated by the DLGSC Pilbara Regional Manager in collaboration with V-Swan's local staff.

Roeboume Active Network

The purpose of the Roeboume Active Network is to improve the quality and delivery of sport and recreation programs in the community of Roeboume by providing a coordinated and strategic approach to provision of services and support for the local community in addressing sport and recreation needs.

The network has engaged collaboratively to support a number of sport and recreation initiatives including the City Wide Basketball Tournament, Royal Life Bronze Medallion Talent Pool Pilot Program, NAIDOC events, primary and high school interschool activities, community youth events, school holiday program, regular town-based competition sport, Nightfields program, Girls Academy programming, coordination of Fair Game community visits and upskilling of Roeboume Active Network members.

State Wide Club Development Officer Scheme (funding through Local Government indirectly benefiting Aboriginal communities)

Sport and recreation clubs deliver diverse opportunities for people to participate in physical activity in their local community in a safe and welcoming environment. The aim of the scheme is to build capacity in regional clubs through delivery of workshops and training opportunities to volunteers and community organisations, assist clubs with planning, assist in the promotion and advocacy of sport and active recreation, assist with the promotion and administration of Kidsport, deliver against a local government club development plan, and to link and maximise the utilisation of sport and active recreation facilities to benefit local communities. \$1 million was invested across 33 local government authorities.

Reform undertaken during 2017–18 to improve efficiency and effectiveness of local government service delivery

Departmental Merger

The Department of Local Government, Sport and Cultural Industries was established 1 July 2017. The financial year was a period of significant reform with the transformation of the former agencies into a more efficient and responsive organisation. The four former departments that make up the Department of Local Government, Sport and Cultural Industries had common goals in that they all focused on State-wide initiatives that helped create stronger communities, diversify the economy and enhance tourism opportunities. Local government was a key cornerstone in delivering a number of these.

The new department combines:

- Department of Culture and the Arts;
- Department of Sport and Recreation;

- Department of Racing, Gaming and Liquor;
- Department of Local Government;
- Office of Multicultural Interests; and
- Aboriginal History Research Unit.

State Local Partnership Agreement

On 2 August 2017 the Western Australian Government entered into the State Local Government Partnership Agreement (the Agreement) with WALGA and Local Government Professionals Australia WA. The Agreement commits the two tiers of government to work collaboratively and sets out:

- principles;
- governance arrangements to establish a State and Local Government Partnership Group (the Partnership Group);
- a communication protocol; and
- agreed time frames for consultation on matters that significantly impact the operations or resources of either party.

In addition, a State Local Government Working Group has been established to support the Partnership Group and give effect to the Agreement. The role of the Working Group is to provide a transparent and integrated process to assist the Partnership Group and Working Group to deliver improvements in communication, consultation, governance and outcomes for the community.

The objectives of the Agreement are to work together to enhance communication to promote:

- transparent and accountable government;
- community engagement;
- seamless legislation and compliance requirements;
- better service delivery outcomes for communities;
- ensure appropriate consultation; and
- provide good governance for, and on behalf of, the people of Western Australia.

The Agreement is an ongoing engagement mechanism between the State Government and local government to inform and influence policy reform that impacts on the business of government. It provides a framework for better alignment with government strategy and a forum to discuss investment prioritisation and identification of collective economic opportunities. Key focus areas include climate change, waste, planning reform, Our Priorities and the development of a vision for local government.

For example, Our Priorities is the State Government's response to solve key priorities of the community that seem unsolvable. These are not just the responsibility of one department, one portfolio or even the State Government alone. Through the State Local Government Partnership Agreement, local and State government is working together on these ambitious targets.

Changes to local government financial monitoring

The first legislative priority of the State Government following the March 2017 election was to introduce the Local Government (Auditing) Bill 2017. The Act was passed in August 2017 giving responsibility for local government auditing to the Auditor General.

The new laws lift the standards of accountability for local governments to a level more consistent with public sector departments and agencies and provide increased community confidence in the sector. Amendments were also made to the *Local Government (Financial Management) Regulations 1996* and *Local Government (Audit) Regulations 1996* that align local government audit requirements with contemporary best practices for public sector audit.

The amendments enable the Auditor General to audit council finances and performance, and ensure that Western Australians benefit from local governments that are accountable, transparent and responsible. This is being phased in over a three-year period.

The legislation followed Corruption and Crime Commission investigations into a number of local governments for allegations of serious misconduct and corruption. It also responded to recommendations made by the Western Australian Parliament's Public Accounts Committee.

For the phased in approach to financial statement auditing, the Auditor General was responsible for 46 of 148 audits in 2017–18, with instructions to their contract auditors to report in the Audit Report (rather than the Management Report as previously done) when a council does not meet DLGSC ratio benchmarks for a period of three consecutive years. This has seen a material increase in the number of local governments reported as having experienced a significant adverse trend in certain financial ratios. To address the significant matters highlighted by the auditors, local governments will ultimately have to increase focus on the accuracy and currency of their long term financial plans and asset management plans.

Under the legislation, local governments are required to publish their annual reports including audit reports on their websites, improving access to the financial position of individual councils for ratepayers.

A new category of audits — performance audits — examine the economy, efficiency and effectiveness of programs and organisations, including compliance with legislative provisions and internal policies. These were also introduced under the new legislation. In 2017–18 the Auditor General tabled two reports in Parliament after performance audits of local governments. They were on *Controls Over Corporate Credit Cards* and *Timely Payment of Suppliers*.

Local Government Act Review

In 2017–18 DLGSC completed the first phase consultation on the review of the *Local Government Act 1995*, a key election commitment of the McGowan Government. This involved extensive consultation, with 30 workshops held throughout WA. The department received 243 submissions which were analysed and considered in the preparation of policy recommendations to the State Government. The resulting policy reforms address elected member conduct and behaviour, training, gifts, chief executive officer recruitment and performance management and improved community access to information.

The *Local Government (Suspension and Dismissal) Act 2018* provides for the issuing of remedial action orders and the suspension of individual elected members where their behaviour is interfering with the ability of the local government, other elected members or staff to carry out their functions.

Delivery of recreation facilities

As the tier of government closest to the community, local government plays a critical role in service delivery at a local level. Local governments shape the delivery of services and support to the needs of their specific communities, informed by ongoing and direct engagement with, and an intimate knowledge of, those within their remit.

A key focus for local government is the health and wellbeing of the community. Under the *Public Health Act 2016* local governments continue to play a significant role in enabling public health outcomes to be achieved, including through the development and implementation of public health planning and the delivery of policies and programs to achieve the objectives of the Act.

Of significant contribution to community health and wellbeing is the provision of social infrastructure and supporting programs. Local government's provision of libraries, leisure centres, parks, walk trails, playing fields and youth facilities, combined with an overlay of events, programs and services, creates environments which support healthy, connected communities.

Public libraries in Western Australia are a partnership between State and local governments. In December 2017, recognising the challenges and opportunities provided by a fast changing social, political, economic and digital environment, the Minister for Culture and the Arts released the WA Public Libraries Strategy (Strategy) and background paper <https://slwa.wa.gov.au/about-us/corporate/wa-public-libraries-strategy> to establish strategic priorities for public library development in Western Australia over the next four years. The Strategy identified five priority areas:

- governance;
- new model to support public library service delivery in Western Australia;
- new model to support regional and remote public library services;
- single access card system; and
- public value.

Developed following research and consultation with key partners in the delivery of public library services, including the WALGA and local governments throughout Western Australia, the priorities are intended to drive the continued transformation of Western Australian public libraries to meet the diverse and evolving needs of the community.

A Public Libraries Working Group, with representatives from State and local governments, was convened to consider the outcomes of the consultation and to provide advice on implementation. The Working Group prioritised three initial projects:

- new model to support public library service delivery;
- new model to support regional and remote libraries; and
- business case for a single access card system.

Work is progressing on development and implementation of a new tiered service model as well as the development of a business case for a single access card system which will significantly enhance service delivery and accessibility for the community.

Report from the Western Australian Local Government Association

Developments in the use of long term financial and asset management plans by Local Government

Support for Local Government Budget Preparation

Local Governments face an ongoing task to deliver on the community's growing demands for services, which can be particularly difficult in an environment where revenue is constrained. To assist Local Governments in their budget preparation and planning activities, WALGA provided all elected members with:

- a special edition of WALGA's Economic Briefing publication, which contained statistics and forecasts for the WA economy, as well as insights into cost pressures and funding opportunities for the sector; and
- information on key financial management topics to assist Councils to make informed budget decisions and to build and maintain financial sustainability.

Support in Local Government Financial Management control

On 28 October 2017, the *Local Government Amendment (Auditing) Act 2017* was proclaimed, giving the WA Auditor General the mandate to audit Western Australia's 139 local governments and 9 regional councils.

The Act allows the WA Auditor General to conduct performance audits of local government entities from 28 October 2017.

The WA Auditor General will take on responsibility for the annual financial audits of local government entities as their existing audit contracts expire. By the financial year 2020-21, all local government entities will be audited by the WA Auditor General.

The performance audits of Local Governments should have a positive effect on the sector.

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

Annual Assets and Expenditure Report

A Report on Local Government Road Assets and Expenditure is produced annually by WALGA with assistance from the WA Local Government Grants Commission. The report provides information on the lengths and types of roads, paths and bridges and highlights trends in the data over the preceding five years. It includes statistics and trends on the funding sources and amount of Local Government expenditure on roads, paths and bridges. Details are provided on the allocation of expenditure between expansion, upgrade, maintenance and renewal of the network at a regional level and for individual Local Governments.

The expenditure statistics are analysed to provide comparisons of road preservation performance, net preservation needs and expenditure effort. These comparisons provide insight into the adequacy of funding and the difference between road preservation needs and current expenditure on road preservation.

Local Government Performance Monitoring Project – Planning and Building

The 2017–18 Local Government Performance Monitoring Project was proactively initiated by Local Governments in response to the concerns over a 2016 Property Council report, which did not accurately represent all of the planning and building functions a Local Government undertakes.

WALGA's Performance Monitoring Project report outlines the planning performance of 19 Local Governments, or 90% of the total population of the Greater Perth region. It provides a collated view of the nineteen Local Governments involved as it is about the performance of the sector as a whole and not about an individual Council's performance. The collated report clearly shows an excellent representation of how the sector is achieving its Strategic and Statutory Planning functions and achieving the statutory timeframes of the Planning and Building Approvals processes.

In addition to the collated report, an individual report for each Local Government has also been provided to participants, showing where the Local Government sits within the benchmarked group of Councils, but not ranking them against each other. The report also provides a comparative assessment of their previous year's performance (where available). The data collation for the 2018/19 version is currently being undertaken, and will have 26 Local Governments including 5 regional members. Given the release of the State Government's Planning Reform Action Plan, and the inclusion of a data monitoring project, it is hoped that these data fields are incorporated into this action of the State's Planning Reform Program.

Reforms undertaken during 2017–18 to improve the efficiency and effectiveness of local government service delivery

Sustainable Procurement

Sustainable Procurement is defined as procurement that has the most positive environmental, social and economic impacts possible over the entire life cycle of a product or service. Sustainable procurement is therefore not just about sourcing environmentally friendly (or 'green') products. It is a decision making enabler that considers the total purchase cost of goods and services across the entire life cycle, which is consciously measured on the positive and negative impacts that the procurement decision will have on the environment, society and the economy, in accordance with a predefined governance framework that enables compliant and ethical business practice.

During 2017–18, WALGA progressed work on Sustainable Procurement including the promotion and adoption of the Sustainable Procurement Framework for WALGA's Preferred Supplier Arrangements and Local Government's own contracts. This resulted in an increased number of local suppliers, and disability and Aboriginal enterprises on the panel arrangements.

Procurement Improvement and Capacity Building Initiatives

WALGA continued its program to deliver Procurement Improvement services to its Members. These services are broad and include a review of a Local Government's procurement function from an organisation wide perspective, examining the full range of its procurement activities, including the effectiveness of the procurement framework and associated processes, and the adoption of adequate procurement systems and contract management practices.

The Procurement Improvement services undertaken by WALGA also included more targeted reviews of elements of the procurement process, such as a Member's procurement documents or a review of a range of tender processes. The reviews delivered a series of findings and recommendations including the development of an Implementation Roadmap for some Local Governments to help them optimise their compliance and value outcomes from their procurement practices.

Capacity building of the sector for its procurement activities is an ongoing and considerable undertaking by WALGA to improve procurement standards and practices across the sector. Capacity building services usually involve customised workshops that incorporate a Local Government's own policies, processes and also case studies relating to their area and how a different approach may have been adopted to ensure compliance and procurement best practice. As an alternative to the customised workshop, a more generic procurement training package was also delivered to the Local Government sector.

Tender and Contract Management Services

WALGA facilitated the delivery of 43 tender processes on behalf of our Members. The majority of the work has been undertaken on behalf of regional Local Governments and in particular smaller Band 3 and 4 Councils. The processes related to a broad variety of areas including construction (roads and other infrastructure), ICT, energy, and cleaning.

Given the increasing scrutiny that local governments are being exposed to from independent government authorities, the use of this service has provided WALGA Members with the comfort that their procurement processes are being undertaken in a manner that is compliant with the requirements under the Local Government (Functions and General) Regulations 1996.

Local Government Decision Making in Practice Toolkit

The Decision-Making in Practice Toolkit was developed to assist WALGA's member Local Governments navigate the decision-making powers and duties that exist under Western Australian law and to inform of the most appropriate, efficient and effective decision-making pathway that applies to relevant circumstances.

The Toolkit features an introductory explanatory guide to Local Government decision-making, writeable templates that apply to the myriad of Acts and Regulations featuring delegable powers, and a delegations template to assist in the record keeping responsibilities necessary when making decisions under delegated authority.

Standard Development Conditions – Guideline

At the request of, and in consultation with our members, WALGA prepared this Guideline to:

- provide a list of standard development conditions that can be considered and used by Local Governments when reviewing their own standard conditions;
- provide guidance on the formulation and application of development conditions; and
- help improve consistency in the way that development conditions are worded, structured and applied across jurisdictions.

The Guideline provides a set of 67 development conditions, covering 25 different planning matters and captures the most commonly used planning conditions. The conditions in the Guideline have been reviewed by certified legal practitioners using case law current to October 2018.

Local Government Economic Development Framework

In 2018, WALGA completed an Economic Development Framework Project to facilitate a strategic approach to economic development (ED) in the sector.

Guided by a reference group of senior staff drawn from across the sector, the project comprised:

- exploration of current research and practice about the role of the sector in ED and the creation of sustainable communities;
- resource materials to assist WA Local Governments in creating and implementing ED strategies, including a framework document that provides guidance on the economic development planning process, including categories of activities used by the sector to develop local and regional economies; and
- establishing a network of ED professional practitioners to support their work in this area and to ensure ongoing alignment with contemporary practice.

Better Urban Forest Planning – Guideline

On 8 November 2018, the WA Planning Commission, Department of Planning Lands Heritage and WALGA launched the Better Urban Forest Planning, to assist Local Governments in the strategic planning of their urban canopy. The development of the guideline is aimed at supporting these efforts and promoting best practice in urban tree canopy management. The document provides information, tools and case studies and a toolbox of statutory and strategic planning instruments and guidance to promote tree retention and planting.

Swimming Pools and Spas – Decommission and Removal – Practice Note

The *Building Act 2011* and the Building Regulations 2012 do not define or reference the decommissioning or removal of swimming pools or spas.

A practice note has been prepared by members, to offer guidance to Local Governments and to encourage a consistent approach to managing decommissioned pools in Western Australia.

Review of Local Government Car Parking Requirements

In 2017 WALGA hosted a workshop to discuss issues related to the regulation of developer car parking provisions and potential options for addressing these issues. A key outcome from the workshop, and subsequent discussions with members, was that the historical basis for car parking ratios and how these ratios have evolved over time is uncertain.

In 2018, WALGA, together with the Department of Transport and Cardno, finalised a report which evaluates the historical bases being used to identify new development, car parking requirements, while also discussion potential policy alternatives.

Further work on the various management techniques and different parking types is currently being prepared with members.

Initiatives undertaken and services provided by Local Governments to Aboriginal and Torres Strait Islander communities

Review Aboriginal Heritage Act 1972

The *Aboriginal Heritage Act 1972* (the Act) was enacted to ensure that Aboriginal heritage, sites and objects to which the Act applied, could be appropriately protected and preserved. Provisions within the Act impact Local Governments in a number of ways including:

- As a landowner, Local Governments are required to consult with Aboriginal communities and conduct heritage surveys when proposing development, in compliance with the Act, and
- As a planning body, Local Governments are contacted by developers and owners for advice regarding the position of heritage sites.

Phase 1 of the *Review of the Aboriginal Heritage Act 1972 (the AHA Review)* attracted over 550 people to the 31 *My Heritage, My Voice* and 10 *Working with Our Aboriginal Heritage* workshops held across the State, and 139 written submissions. The Department of Planning, Lands and Heritage then commenced analysis of the feedback. This was used to develop proposals outlining what new Aboriginal heritage legislation should do and with consideration from the Minister for Aboriginal Affairs and the Cabinet, informed the release of a Discussion Paper. Feedback received during the 2018 review indicated that the scope and the purpose of the AHA needed to change and new legislation was needed.

In March 2019, the Minister for Aboriginal Affairs released a Discussion Paper to modernise Aboriginal heritage legislation, to make it more culturally appropriate and equitable for Aboriginal people, and more efficient for industry. The Discussion Paper sets out proposals for a new system to recognise, protect, manage and celebrate the places and objects that are important to Aboriginal people, as well as providing an efficient land use proposal framework. Local Government feedback is currently being collated and will be used to inform the preparation of a Green Bill for the proposed new legislation, which will be advertised for comment.

South West Native Title Settlement and Aboriginal Partnerships

WALGA hosted an event on 26 February to provide an update on the South West Native Title Settlement, the most comprehensive native title agreement negotiated in Australian history, reaching across 101 Western Australian Local Governments. Focusing on the key issues from a Local Government perspective, presentations addressed the present status and main elements of the Settlement, the role of the South West Aboriginal Land and Sea Council in the Settlement, key heritage elements of the Settlement and the creation of the Noongar Land Estate. This prefaced a full day workshop on 6 August 2019 at the WALGA Convention.

WALGA Forum: Building Positive Partnerships with Aboriginal Communities

This Forum, which was held on 6 August, showcased collaborative projects being undertaken by Aboriginal communities and Local Governments with a focus on meaningful engagement processes, Reconciliation Action Planning in Local Government, employment and procurement, truth telling, cultural interpretation, and incorporating traditional ecological knowledge in land management.

Local Government Specific Noongar Standard Heritage Agreement

WALGA has been liaising with the South West Settlement Implementation Unit (SWSIU) and the South West Aboriginal Land and Sea Council (SWALSC) to gain a clearer understanding of Local Governments role in the South West Native Title Settlement.

The Association is in the process of determining if a Local Government Specific Noongar Standard Heritage Agreement for use by Local Governments is relevant with the *Aboriginal Heritage Act 1972* (the Act), which is currently being reviewed, and the proposed South West Native Title Settlement agreement.

Other reform initiatives

Regional Subsidiaries

The Local Government sector in WA had been advocating for many years, for Local Governments to have the ability to establish Regional Subsidiaries.

Under the Regional Subsidiary model, two or more Local Governments are able to establish a regional subsidiary to undertake a shared service function on behalf of its constituent Local Governments. The model provides increased flexibility when compared to the Regional Local Government Council model because regional subsidiaries are primarily governed and regulated by a charter rather than legislation. While the regional subsidiary model's governance structure is primarily representative, the model also allows independent and commercially focused directors to be appointed to the board of management.

The Western Australian State Government introduced legislation in 2016 and regulations in early 2017.

The legislation provides Local Governments with the ability to establish regional subsidiaries, however regulations have made the model too restrictive and compliance driven to achieve what was requested. WALGA has contracted a legal provider who has prepared revised regulations in-line with the intent of the legislation and has presented this to the Minister for Local Government.

Council Controlled Organisations

Since 2010, WALGA has had a policy position for the concept of establishing subsidiary corporate structures (Council Controlled Organisations or Local Government Enterprises) as vehicles for greater efficiency and improved partnering practices for local government involvement in a range of commercial activities that are distinct from the commonly understood "core functions" of local government. Examples of such activities include affordable housing projects, urban regeneration, measures to address economic decline in regional centres, public-private partnerships to develop local government assets and measures to enhance the income-generating asset base of local governments.

Under such an arrangement, Councils would be able to establish arms-length entities to deliver projects and services currently outside the scope of the sector but needed by the community. This aim is not to compete with the private sector, but to utilise better commercial structures in circumstances that aren't attractive to the private sector, or aren't available to private providers.

Local governments in WA are involved in a range of commercial activities while being constrained from conducting those activities in a commercially efficient manner. Common examples of such activities include airports, waste management facilities, aged care and land development. In some smaller communities, local government has had to become involved in providing basic retail services where no equivalent private business exists. It is also arguable that some of the so-called “core” functions of local government (such as road construction) are also “commercial” to the extent that these functions could equally well be provided by private contractors. However, current legislation prevents local governments from conducting these operations with the level of commercial efficiency that exists for private enterprise.

In effect a Council Controlled Organisation model would enable Councils to establish organisations that operate at arm’s length to the Local Government but in a commercial environment with the support of the community.

The introduction of Council controlled organisations into WA would help further modernise Local Government operations.

Ultimately improving the capacity of Local Government in WA to deliver on its social obligations is both a benefit and opportunity for the community with the potential to relieve pressure on rates.

WALGA on behalf of the Local Government sector will continue to advocate for the establishment of Council Controlled Organisations in the WA Local Government Act review process.

Report from the South Australian Government and the Local Government Association of South Australia (LGASA)

The methodology used for distributing funding under the Financial Assistance Grant program to local government for 2017-18

General purpose grant

The methodology used to assess the general purpose component of funding under the *Local Government (Financial Assistance) Act 1995* (Cth) is intended to achieve an allocation of grants to local governing bodies in South Australia 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 head of population as prescribed in the *Local Government (Financial Assistance) Act 1995* (Cth).

The South Australian Local Government Grants Commission uses a direct assessment approach to the calculations. This involves the separate estimation of a component revenue grant and a component expenditure grant for each council, which are aggregated to determine each council's overall equalisation need.

Available funds are distributed in accordance with the relativities established through this process and adjustments are made as necessary to ensure the per capita minimum entitlement is met for each council. For local governing bodies outside the incorporated areas (the Outback Communities Authority and five Aboriginal communities) allocations are made on a per capita basis.

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

Formulae

General financial assistance

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

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

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

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

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

G = council's calculated relative need assessment

P = population

U = unit of measure – some units of measure are multiplied by a weight

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

RRI = revenue relativity index. *CRI* = cost relativity index (also known as a disability factor). They are centred around 1.00, i.e. RRI_s or CRI_s equals 1.00. If more than one cost relativity index exists for any function then they are multiplied together to give an overall cost relativity index for that function.

In the revenue calculations for both residential and rural assessments, the South Australian Local Government Grants Commission has calculated a revenue relativity index based on the Socio-Economic Indexes for Areas Index of Economic Resources (from the Australian Bureau of Statistics). Where no revenue relativity index exists the $RRI_c = 1.0$. Currently, in all expenditure calculations with the exception of roads and stormwater, there are no disability factors applied and consequently, $CRI_c = 1.0$.

The raw grants, calculated for all functions using the above formulae, both on the revenue and expenditure sides, are then totalled to give each council's total raw grant. Any council whose raw calculation per head is less than the per capita grant, (20.33 for 2017–18), then has the per capita grant applied. The remaining balance of the allocated grant is then apportioned to the remaining councils based on their calculated proportion of the raw grant. The South Australian Local Government Grants Commission determined limits are then applied to minimise the impact on council's budgetary processes.

In the calculation of the 2017–18 grants, the South Australian Local Government Grants Commission constrained changes to council's grants to between –2 and positive 14 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.

The constraints applied by the South Australian Local Government Grants Commission for the 2017–18 general purpose component reflects the first year where indexation of the pool of Financial Assistance Grants resumed following the indexation pause (2014–15 to 2016–17).

Component revenue grants

Component revenue grants compensate or penalise councils according to whether their capacity to raise revenue from rates is less than or greater than the State average. Councils with below average capacity to raise revenue receive positive component revenue grants and councils with above average capacity receive negative component revenue grants.

The South Australian Local Government Grants Commission estimates each council's component revenue grant by applying the South Australian average rate in the dollar to the difference between the council's improved capital values per capita multiplied by the RRI_c and those for South Australia as a whole, and multiplying this back by the council's population.

South Australia's 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 South Australia as a whole if it applied the South Australian average rate in the dollar to the capital values of its rateable properties.

This calculation is repeated for each of five land use categories: residential; commercial; industrial; rural; and other.

To overcome fluctuations in the base data, valuations, rate revenue and population are averaged over three years. Revenue relativity indices (RRI_c) are only applied to the 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 (i.e. they are effort neutral, are treated by the 'inclusion approach'). That is, subsidies such as those for library services and roads are included as a revenue function.

Component expenditure grants

Component expenditure grants compensate or penalise councils according to whether the costs of providing a standard range of local government services can be expected to be greater than or less than the average cost for the state as a whole, due to factors outside the control of councils. The South Australian Local Government Grants 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 South Australian 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 South Australia'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 South Australia as a whole (standard cost). This in turn is multiplied back by the council's population to give the component expenditure grant for the function. As already indicated, this grant can be positive, negative or zero.

In addition, it is recognised that there may be other factors beyond a council's control which require it to spend more (or less) per unit of measure than the South Australian 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, CRIs measure the relative cost of factors such as material haulage, soil type, rainfall and drainage.

To overcome fluctuations in the base data, inputs into the expenditure assessments (with the exception of the newly revised road lengths) are averaged over three years. Table 34 details the approach taken to expenditure functions included in the methodology.

Table 34 South Australia's expenditure functions included in the methodology

Expenditure function	Standard cost	Units of measure
Waste management	Reported expenditures ¹	Number of residential properties, rural and commercial (shop) properties
Aged care services	Reported expenditures ¹	Population aged 65+ per Australian Bureau of Statistics Census and estimated resident population
Services to families and children	Reported expenditures ¹	Population aged 0–14 years per Australian Bureau of Statistics Census and estimated resident population
Health inspection	Reported expenditures ¹	Establishments to inspect
Libraries	Reported expenditures ¹	Estimated Resident Population
Sport, recreation and culture	Reported expenditures ¹	Population aged 5–64 years as per Australian Bureau of Statistics census and estimated resident population
Sealed roads — built-up ⁵	Reported expenditures ¹	Kilometres of built-up sealed road as reported in General Information Return
Sealed roads — non-built-up ⁵	Reported expenditures ¹	Kilometres of non-built-up sealed road as reported in General Information Return
Sealed roads — footpaths	Reported expenditures ¹	Kilometres of built-up sealed road as reported in General Information Return
Unsealed roads — built-up ⁵	Reported expenditures ¹	Kilometres of built-up unsealed road as reported in General Information Return
Unsealed roads — non-built-up ⁵	Reported expenditures ¹	Kilometres of non-built-up unsealed road as reported in General Information Return
Unformed roads ⁵	Reported expenditures ¹	Kilometres of unformed road as reported in General Information Return
Stormwater drainage maintenance ^{2,3}	Reported expenditures ¹	Number of urban properties ⁴
Community support	Reported expenditures ¹	Three year average population modified by the Socio-Economic Indexes for Areas Advantage/Disadvantage cost relativity index
Jetties and wharves	Reported expenditures ¹	Number of jetties and wharves
Public order and safety	Reported expenditures ¹	Total number of properties
Planning and building control	Reported expenditures ¹	Number of new developments and additions
Bridges	Reported expenditures ¹	Number of bridges
Environment and coastal protection	Reported expenditures ¹	Estimated resident population
Other needs assessments	Set at 1.00	Based on South Australian Local Government Grants Commission determined relative expenditure needs in a number of areas ⁶

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

Notes numbered:

1. Council's net expenditure reported in the South Australian Local Government Grants Commission' Supplementary returns.
2. Includes both construction and maintenance activities.
3. The South Australian Local Government Grants Commission has also decided, for these functions, to use CRIs based on the results of a previous consultancy by BC Tonkin and Associates.
4. Urban properties = sum [residential properties, commercial properties, industrial properties, exempt residential properties, exempt commercial properties, exempt industrial properties].
5. The South Australian Local Government Grants Commission has for these functions, used CRIs 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 South Australian Local Government Grants Commission determined relative expenditure needs with respect to the following:
 - a. non-resident use/tourism/regional centre – assessed to be high, medium or low
 - b. isolation – measured as distance from the GPO to the main service centre for the council (as published in the South Australian Local Government Directory; South Australian Local Government Association)
 - c. 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
 - d. unemployment – identified by the proportion of the population unemployed

The calculated standards by function are outlined below.

Table 35 South Australia's calculated standards by function

Total population = 1,708,135

Function	Standard (\$)	Unit of measure per capita	Total units of measure	Unit of measure
Expenditure functions				
Waste management	173.02	0.47823	808 361	Number of residential, rural and commercial (shop) properties
Aged care services	161.92	0.17444	294 857	Population aged more than 65
Services to families and children	76.41	0.17597	297 450	Population aged 0 to 14
Health inspection	62.72	0.01235	20 874	Establishments to inspect
Libraries	60.57	1.00634	1 701 014	Estimated resident population
Sport, recreation and culture	267.00	0.76586	1 294 535	Population aged 5 to 49
Sealed roads – built-up	12 182.45	0.00637	10 760	Kilometres of sealed built-up
Sealed roads – non-built-up	12 182.45	0.00457	7 731	Kilometres of sealed non-built-up
Sealed roads – footpaths	17 368.36	0.00637	10 760	Kilometres of sealed built-up
Unsealed roads – built-up	1 787.70	0.00042	705	Kilometres of formed and surfaced, and natural surface-formed built-up road
Unsealed roads – non-built-up	1 787.70	0.02791	47 182	Kilometres of formed and surfaced, and natural surface-formed non-built-up road
Roads – unformed	184.08	0.00507	8 570	Kilometres of natural surfaced unformed road
Stormwater drainage – maintenance	83.77	0.46211	781 111	Number of urban, industrial and commercial properties including exempt
Community support	50.15	0.99257	1 677 749	Three year average population modified by the Socio-Economic Indexes for Areas Advantage Disadvantage Cost Relativity Index

Table 35 continued

Function	Standard (\$)	Unit of measure per capita	Total units of measure	Unit of measure
Jetties and wharves	22 749.73	0.00005	77	Number of jetties and wharves
Public order and safety	28.84	0.55151	932 223	Total number of properties
Planning and building control	1 852.48	0.02624	44 349	Number of new developments and additions
Bridges	10 065.13	0.00051	864	Number of bridges
Environment and Coastal Protection	22.32	1.00634	1 701 014	Estimated Resident Population
Other special needs	1.00	19.19239	32 441 000	Total of dollars attributed
Revenue functions				
Rates — residential	0.0037	153 309	258 806 958 488	Valuation of residential
— commercial	0.0067	20 640	34 888 300 746	Valuation of commercial
— industrial	0.0072	3 525	5 958 821 103	Valuation of industrial
— rural	0.0035	20 472	34 106 184 831	Valuation of rural
— other	0.0048	6 478	10 950 547 206	Valuation of other
Subsidies	1.00	28.56824	48 289 042	The total of the subsidies

Calculated standards by function

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

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

Aggregated Revenue and Expenditure Grants

Component grants for all revenue categories and expenditure functions, calculated for each council using the method outlined above, are aggregated to give each council's total raw grant figure.

Where the raw grant calculation per head of population for a council is less than the per capita minimum established as set out in the Act, (\$20.33 for 2017–18), the grant is adjusted to bring it up to the per capita minimum entitlement. The balance of the allocated amount, less allocation to other local governing bodies outside the incorporated areas, is then apportioned to the remaining councils based on their calculated proportion of the raw grant.

Commission determined limits may then be applied to minimise the impact on council's budgetary processes. In the calculation of the 2017–18 grants, constrained changes to Councils to between minus 2 and positive 14 per cent. An iterative process is then undertaken until the full allocation is determined.

Identified Local Road Grant

In South Australia, the identified local road grants pool is divided into formula grants (85%) and special local road grants (15%). The formula component is divided between metropolitan and non-metropolitan councils on the basis of an equal weighting of road length and population.

In the metropolitan area, allocations to individual councils are determined again by an equal weighting of 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. This Committee is responsible for assessing submissions from regional associations on local road projects of regional significance.

Outback Communities Authority

The Outback Communities Authority 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 Grants 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 Authority has a particular emphasis providing assistance in the provision of local government type services normally undertaken by local councils elsewhere in the State.

Due to the lack of comparable data, the Commission is not able to calculate the grant to the Authority in the same manner as grants to other local governing bodies. Rather, a per capita grant has been established. The 2017-18 per capita grant was \$401.14.

Aboriginal Communities

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

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

Again due to the unavailability of data, grants for these communities are not calculated in the same manner as grants to other local governing bodies. Initially, the Commission utilised the services of a consultant, Alan Morton, of Morton Consulting Services, who completed a study on the expenditure needs of the communities and their revenue raising capacities. Comparisons were made with communities in other states and per capita grants were established.

Grants have gradually been increased in line with the increase in the general purpose pool of funding for South Australia since the initial study. For the 2017-18 financial year, the per capita grant varied from \$203.40 for the Gerard Community Council to \$1,269.27 for the Maralinga Tjarutja Community.

Changes to the methodology for distributing funding to local government under the Financial Assistance Grant program for 2017–18 from that used in 2016–17

Following a range of changes to the Commission’s Methodology for 2016–17 and the resumption of indexation of the Financial Assistance Grants for 2017–18, the Commission did not make any changes to the methodology for distribution funding to local governing authorities for 2017–18.

The Commission, instead, focused its efforts on the application of caps and collars to the grant recommendations for 2017–18 in order to address changes in unconstrained grants to councils that had occurred during the previous three years when indexation of the Financial Assistance Grants had been frozen.

The tight constraints on changes in grants during the indexation pause saw unconstrained grants for many councils trending away from their constrained grants and the Commission implemented caps and collars of negative 2 percent and positive 14 percent to address the previous trend.

Developments in the use of long-term financial and asset management plans by local governments.

Each one of South Australia’s 68 Local Governments 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 2017–18 through resources that were developed and distributed during its previous Financial Sustainability Program (FSP) (2005–2017).

In addition, during 2017–18 the Local Government Research and Development Scheme, administered by the LGA, allocated:

- \$15,000 towards updating the full suite of 21 Financial Sustainability Information Papers; and
- \$20,000 towards developing and publishing a model Long-Term Financial Plan for South Australian 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 SA Local Government Grants Commission of annual “database reports” dating back to 1995-96. These reports are publicly available at: www.dpti.sa.gov.au/local_govt/LGGC.

Financial Indicators

Each year, the LGA assembles an update report providing the latest values, history and comparisons of key financial indicators for the local government sector as a whole. The 2018 update report (covering the period from 1 July 2000 until 30 June 2017) included data on the:

- Operating surplus (deficit);
- Net financial liabilities ratio; and
- Operating surplus ratio.

In addition, the report provided a comparison between categories of councils in respect of 2016-17 actual results for their:

- Operating surplus ratio; and
- Net financial liabilities ratio.

The *Local Government (Financial Management) Regulations 2011* require councils to use three specific financial indicators in their financial planning and reporting. The Office of Local Government published on its website detailed explanatory information about each financial indicator and trend data covering individual councils for 2017-18 in the Financial Indicators Dashboard.

Reforms undertaken during 2017-18 to improve the efficiency and effectiveness of local government service delivery

Local Government Research and Development Scheme

The Local Government Research and Development Scheme continued as a primary source of funding for research in local government. Funded through tax-equivalent payments by the Local Government Finance Authority, and royalties on extractive minerals, it was overseen by an Advisory Committee comprising three members of the LGA Board, a metropolitan CEO, a country CEO, a representative from local government trade unions, a representative from South Australian universities, the Office of Local Government and the LGA Chief Executive.

From its inception in 1997, until 30 June 2018, the scheme had approved a total of 678 projects, with a total of \$29 million in approved funding. This has attracted significant matching funds and in-kind support from other sources.

Projects approved for funding during 2017-18 were:

- 2017.68 BRIMS Stage 2
- 2017.60 Community Wellbeing Alliance – two regional trials
- 2017.66 Development and evaluation of economic development measures
- 2017.67 Emergency Management Online Training Resources
- 2017.64 Exploring non-usage of Aquatic and Recreation Centres in Vulnerable and Disadvantaged Community Groups
- 2017.73 Live Music Resources
- 2017.54 Measuring Relative Technical Efficiency
- 2017.55 NDIS impact on Metropolitan local governments
- 2017.56 NDIS impacts on regional local governments
- 2017.53 Rating equity for commercial and or industrial land uses outside towns
- 2017.72 Social Media and Communications Training
- 2017.52 Training Needs Analysis
- 2017.57 Trial and Implementation of the RAVRAT
- 2017.65 Update Voters Roll Practice Manual
- 2018.14 China Sword Policy
- 2018.10 2018 Council elections
- 2018.04 Boundary Reform Processes

- 2018.07 Emergency Management Development Program
- 2018.09 Financial Sustainability Updates
- 2018.05 Governance Review, Phase 2
- 2018.08 Model Bike Share Scheme Policy and Procedure
- 2018.12 Payment to the Remuneration Tribunal for Setting Council Member Allowances
- 2018.13 Review of R&D project finalisation documentation and evaluation mechanisms
- 2018.01 Updated Procurement Resources.

Guidelines and model policies

The Local Government Association of South Australia continued to provide a range of material, to assist councils to meet their governance obligations. These materials include model policies and procedures, guidelines, information papers and Codes of Practice.

Those published, reviewed or updated in 2017–18 included:

- Council Assessment Panel — Model Meeting Procedures (August 2017)
- Council Assessment Panel — Model Terms of Reference (August 2017)
- Order-Making Model Policy (August 2017)
- Model training & development policy and plan for Council Members (Sept 2017)
- Induction for New Councils — Model Policy (Sept 2017)
- Council Committees & Committee Members — Guidelines (September 2017)
- Food trucks — template Location Rules (Nov 2017)
- Council Emergency Operations Centre Manual (Nov 2017)
- Council Emergency Plan Template (Nov 2017)
- Food trucks — template permit for s222 (Feb 2018)
- Model Complaints Handling Policy (Feb 2018)
- Notifiable Data Breach Scheme: Guidelines for Councils (Feb 2018)
- Model Complaints Procedures (March 2018)
- Caretaker Guidelines (March 2018)
- Caretaker Model Policy (March 2018)
- Code of Conduct for Employees of Council Subsidiaries (April 2018)
- Gifts and Benefits: Guidelines for council members (April 2018)
- Emergency Risk Management Guide (May 2018)
- Annual Report Guidelines (May 2018)
- Model Financial statements (May 2018);
- Fact Sheet — *Labour Hire Licensing Act 2017* (June 2018)

Initiatives undertaken in relation to local government service delivery to Aboriginal and Torres Strait Islander Communities

The Local Government Association of South Australia (LGA of SA) has continued to work towards delivering actions identified within its Reconciliation Action Plan (RAP) which was formally endorsed at the end of 2014.

During 2017–18 the LGA, in conjunction with Reconciliation SA, hosted a RAP Learning Circle to learn and share about Reconciliation Action Plans.

The program included presentations on:

- Aboriginal Community Engagement (Frank Lampard OAM, Former Commissioner for Aboriginal Engagement);
- Aboriginal Employment (Shouwn Oosting, Office of the Commissioner for Public Employment); and
- Procurement from Aboriginal Businesses.

In April 2015, the State Government secured \$15 million from the Commonwealth to provide municipal services to Aboriginal communities outside of the APY Lands.

Over 2017–18, \$2.9 million (ex GST) was provided to deliver municipal services including waste management, dog control and environmental health, road maintenance and water provision.

Of the 17 service providers funded, four 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 Goober Pedy for services to Umoona Aboriginal Community; and
- The Outback Communities Authority for services to the Dunjiba Aboriginal Community.

This funding continues to be provided to communities over 2018–19 to support these vital services.

Any local government reform activities including deregulation and legislative changes by your jurisdiction during the reporting period

Council boundary changes

On 22 August 2017, the *Local Government (Boundary Adjustment) Amendment Act 2017* was assented to by the Governor. The Amendment Act commenced on 1 January 2019 and significantly reformed the processes within the *Local Government Act 1999* (the Act) that govern changes to council boundaries.

The new system establishes a process that deals with minor boundary changes more efficiently, and enables greater open discussion and in-depth analysis of more significant structural reform opportunities.

Under the new system the Boundaries Commission is established as the independent body that assesses and investigates boundary change proposals. The Commission has released nine guidelines on the Office of Local Government website — https://www.dit.sa.gov.au/local_govt/boundary_changes — to assist in the preparation of proposals.

Council rate oversight

A Bill was also introduced to Parliament to amend the Act to provide for the establishment, operation and reporting of a system to cap annual increases in councils' general rates.

Report from the Government of Tasmania

The methodology used for distributing funding under the Financial Assistance Grant Program to local government for 2017–18 by the Tasmanian State Grants Commission (SGC)

In arriving at its distribution recommendations, the SGC takes into account the National Principles issued under the *Local Government (Financial Assistance) Act 1995* (Cth); namely Horizontal Fiscal Equalisation (HFE), Effort Neutrality, Minimum Grant, Other Grant Support, Aboriginal People and Torres Strait Islanders and Council Amalgamation for the base grant allocations; and Asset Preservation for the road grant allocations.

Methodology used for calculating Base Grants Allocations

The Base Grant is distributed using a two pool approach, by firstly allocating the per capita grant (30 per cent of total base grant) on the basis of council population shares and then distributing the remainder of the allocation on the basis of relative need equalisation. This is seen as the simplest and most transparent means of giving effect to the Minimum Grant National Principle (National Principle 3).

The equalisation of relative need methodology distributes the relative needs (70 per cent) portion of the base grant pool amongst those councils that the SGC assesses as having a shortfall between the amount they are assessed as needing to spend to provide the average standard of service (after taking into account differences in expenditure needed to be able to provide such services) and the council's capacity to raise revenue, calculated on the basis that the council is making the average effort to raise revenue. The objective of HFE is to ensure that each council is able to function, by reasonable effort, at a standard not lower than the average standard of other councils in the State.

The base grant model equalises the distribution of the relative needs pool of entitlement using the balanced budget approach. Each council's relative need entitlement – derived by calculating the difference between the council's expenditure requirement and the council's revenue capacity – is then proportionally balanced back to the total pool available for distribution, on the basis of the council's relative share of the sum of all assessed deficits.

Councils that are assessed as having an assessed surplus (i.e. councils where their assessed revenue capacity exceeds their assessed expenditure requirement) do not receive a share of the relative needs portion of the base grant pool. These councils only receive their population share of the Base Grant pool and are referred to as minimum grant councils.

The basic equalisation calculation is based on the following:

$$\text{Revenue Capacity} - \text{Expenditure Requirement} = \text{Assessed Surplus or Deficit.}$$

Revenue Capacity is calculated using three-year averages of each of the following amounts:

- the revenue a council would raise by applying the statewide average rate in the dollar to all its rateable properties (standardised revenue); plus
- the council's per capita grant allocation; plus
- certain other financial support payments that all councils receive (for example Roads to Recovery funding, Heavy Vehicle Motor Tax Revenue funding etc).

Expenditure Requirement is calculated as follows:

- a three-year average of the assessed expenditure required to provide the average range of services (standardised expenditure); plus
- any allowances the SGC recognises for expenditures (for example, the General Practitioner Practice Allowance and the Island Airport Allowance); plus
- the Budget Result Term, which proportionally allocates the assessed deficits across councils to enable the expenditure requirement plus the relative needs funding pool to balance to revenue capacity at a state level, thereby achieving a balanced budget outcome.

Standardised expenditure is calculated as follows:

- starting with the total statewide expenditure for each expense category (net of any specific grant support and car parking operations);
- reallocate the net expenditure across councils on a per capita basis; then
- apply cost adjustors (refer to next paragraph) to the per capita expenditure to reflect any inherent cost advantages and disadvantages faced by individual councils in providing the respective services.

The SGC currently uses eleven cost adjustors in its Base Grant Model as follows: absentee population; scale (admin); climate; scale (other); dispersion; tourism; isolation; unemployment; population decline; worker influx and regional responsibility.

Methodology used for calculating Road Grant Allocations

The Road Preservation Model (RPM) used by the SGC determines the allocation of the road grant based on each council's relative share of the assessed asset preservation costs of maintaining the local government road network assets (roads and bridges including major culverts) for the State. Road Grant funding is not based on the amount of funding councils actually spend on their road network.

To determine the road portion of the total assessed asset preservation costs, the RPM uses a standardised profile for three road types in Tasmania — urban sealed, rural sealed and unsealed. The road profile (for each road type) reflects the typical features, dimensions, construction and maintenance methods used for that road type in Tasmania. Based on an assumed asset life for the respective components of the road, and the assumed frequency of the road maintenance practices and activities that are undertaken for each road type, the SGC calculates an asset preservation rate per kilometre (for each road type). The respective asset preservation rate is then applied to each council's reported road lengths by road type. The rates are indexed annually unless the cost per kilometre is 'restruck' following a review of the rates and assumptions underpinning the rates.

Cost adjustors and an allowance are then applied within the RPM to account for relative cost advantages, or disadvantages, faced by councils in maintaining their local government roads. These cost adjustors include rainfall, terrain, traffic and remoteness. The SGC also provides an urbanisation allowance for certain road lengths in recognised urban areas. The urbanisation allowance results in the road length being increased by a multiplication factor (an 'uplift' factor), as a way of recognising the higher maintenance and management standards and complexity of construction that such roads exhibit beyond the standard urbanised road type.

To determine the bridges and major culverts portion of the total assessed asset preservation costs, the RPM calculates the asset preservation costs, based on the annualised life cost per square metre of such assets according to their asset type. The rates for the annualised costs per bridge and culvert type are indexed annually unless the cost per metre is restructured following a review of the rates and assumptions underpinning the rates. The SGC recognises four bridge types (Concrete, Timber, Steel and Other) and two types of major culverts (Reinforced Concrete Pipe and Reinforced Box Culverts). The SGC's model requires bridges to exceed three metres in length to qualify for inclusion and for culverts to have a minimum open facing of at least three metres. The SGC applies a maximum length of culvert at six metres, being the equivalent of the standard driving width of a dual land rural sealed road.

The RPM does not apply any cost adjusters to its standardised bridge or culvert asset preservation costs.

The total asset preservation need per council is the sum of

- the reported bridge or culvert square metres by asset type and the annualised square metre asset preservation cost of each bridge and major culvert type; and
- the reported road lengths by road type, the annualised per kilometre asset preservation cost by road type, the application of cost adjusters and the urbanisation allowance.

Grant Stability

The SGC is aware of councils' preference for grant stability.

The SGC moderates volatility in its Base Grant recommendations through the use of thresholds, with its current policy being a cap on increases of +15 per cent and a floor on decreases of -10 per cent. The SGC refers to its -10 per cent floor as a 'collar'.

In determining final Base Grant allocations for 2017-18, the +15 per cent cap did not affect any councils. The -10 per cent collar benefited one council.

The RPM model does not contain any collars to contain road grant allocation volatility.

The SGC's collar policies are the same as those used for determining the 2016-17 Base Grant and Road Grant allocations.

Triennium Reviews

The SGC monitors council practices to ensure that its methods for distributing both the Base Grants and Road Grants are contemporary and equitable across councils. The SGC also monitors developments in local council policies, with a view to ensuring that its modelling reflects standard council policies. The annual hearings and visits process conducted by the SGC plays an important part in monitoring council practices and consulting on any proposed methodology changes.

The SGC operates a triennial review policy whereby major methodological changes are incorporated into its assessments every three years, with data updates and minor revisions to the methodology incorporated each year. This policy is designed to balance the conflict between grant stability and the desirability of updating the SGC's modelling to best reflect HFE principles and developments in council practices.

Data Sources

The SGC's models are primarily data driven, which means that significant changes in data can influence calculated grant shares. The SGC takes the accuracy and consistency of data seriously and actively seeks to increase the integrity of the data used within the assessments. The SGC uses data from many sources to inform its models and decisions, including data from the Australian Bureau of Statistics, the Office of the Valuer-General (Tasmania), Tourism Research Australia, Bureau of Meteorology, various State and Australian Government departments, engineering advice and data sourced from councils, either directly, or through the Local Government Division's annual Consolidated Data Collection (CDC) process.

The main data sets used to inform the SGC's models, and their sources, are detailed below.

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	Australian Bureau of Statistics
Assessed annual values data by municipality	Office of the Valuer-General (Tasmania)
Domestic day tripper data	Tourism Research Australia (Australian Government)
Bed capacity data	Tiger Tours tourism database (Tourism Tasmania)
Unemployment, labour force data	Department of Employment (Australian Government)
Rainfall data	Bureau of Meteorology (Australian Government)
General practice, airport costing data	Relevant councils
Car parking operations	Local Government Division (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	Local Government Division (Department of Premier and Cabinet's Consolidated Data Collection Returns (Tasmania)
Road lengths and type	Local Government Division (Department of Premier and Cabinet's Consolidated Data Collection Returns (Tasmania)
Roads to Recovery program funding	Department of Infrastructure, Transport, Regional Development and Communications (Australian Government)
Tasmanian Freight Survey—freight task by council road network by road type	Department of State Growth (Tasmania)
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	Local Government Division (Department of Premier and Cabinet's Consolidated Data Collection Returns (Tasmania)

For comprehensive details on the SGC's methodology for determining the distribution of Tasmania's 2017-18 financial assistance grants (both Base Grants and Road Grants), please refer to the *State Grants Commission Financial Assistance Distribution Methodology Paper*, the *State Grants Commission 2016-17 Annual Report including 2017-18 Financial Assistance Grant Recommendations (Report # 41)* and the *State Grants Commission 2017-18 Financial*

Assistance Grants Data Tables, all of which are available on the Publications Page of the SGC's website at <http://www.treasury.tas.gov.au/state-grants-commission/publications>. For prior versions of this publication, please contact the SGC at sgc@treasury.tas.gov.au.

Changes to the methodology for distributing funding to local government under the Financial Assistance Grant Program for 2017–18 from that used in 2016–17

The 2017–18 year represented Year 2 of the SGC's 2018–19 Triennium. As such the SGC did not make any changes to its methodologies in arriving at its 2017–18 allocations. The SGC only took into account data updates for determining the distribution of the 2017–18 Base Grants and Road Grants.

2017–18 Methodology (Year 2 of the 2018–19 Triennium)

In arriving at the 2017–18 distributions, the SGC made some minor adjustments as follows:

Base Grant Model

For the 2017–18 Base Grant distributions the SGC decided to not update the data informing the Tourism Cost Adjustor but instead to freeze the data informing the Tourism Cost Adjustor as follows:

- Bed Capacity statistics frozen as at the June 2015 statistics (70 per cent weighting); and
- Day Tripper statistics frozen as at 2016 data (30 per cent weighting).

The SGC determined that freezing the Tourism Cost Adjustor at the data used for the previous grant recommendations was necessary due to the loss of the bed capacity statistic data source. During the year there was a nationwide reform of tourism industry databases. This reform resulted in the adoption of a National Online system and Tourism Tasmania no longer operating its own Tourism Tasmania's Tigertour tourism database. The Tigertour tourism database contained details of bed capacity rates for Tasmanian accommodation establishments. The National Online system was designed without this feature/field. This has resulted in the loss of a system reliably measuring bed capacity rates for Tasmanian accommodation establishments, which had been a key part of the dataset used by the SGC to inform its Tourism Cost Adjustor.

Road Preservation Model

For the 2017–18 Road Grant Distributions, the SGC consulted with councils to review and determine if its 'three times uplift' factor for its Urbanisation Allowance road lengths was still appropriate. Based on the submissions and feedback received, the SGC determined that the three times uplift factor is still appropriate.

During the year the SGC also engaged a consultant to survey a sample of councils in order to review and, if necessary, update its annual bridge and culvert asset preservation rates based on actual council experience. The SGC restructured the asset preservation rates for its bridges and culverts based on the results of the survey. The SGC considers rate reviews as a data update and not a methodology change. Accordingly, the SGC incorporates the results of its rate reviews into its RPM for determining Road Grant allocations as and when they occur.

Legislative change

There were no changes made to the *State Grants Commission Act 1976* during the 2017-18 year.

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

Each year, the Auditor-General undertakes a financial analysis of entities in the Tasmanian local government sector. On 28 November 2017, the Auditor-General tabled his report for the 2016-17 financial year entitled *Report of the Auditor-General No. 6 of 2017-18, Auditor-General's Report on the Financial Statements of State entities, Volume 3 – Local Government Authorities 2016-17*.

The Auditor-General's report, among other things, looks at the financial sustainability of individual councils by examining councils' unaudited long-term asset and financial management plans. The 2016-17 Report notes that the use of financial and asset management plans by councils has increased over the past ten years. More specifically, the 2016-17 Report highlights that the number of councils without asset management plans has decreased from 19 in 2011 to just one in 2017.

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

In August 2017, the then Minister for Local Government, the Hon Peter Gutwein MP, issued a direction, pursuant to section 335(1)(b) of the *Local Government Act 1993*, requiring the Director of Local Government to publish local government performance information.

The Director and the Department of Premier and Cabinet's Local Government Division are progressing actions in response to the Minister's Direction. In December 2017, the Local Government Division's Consolidated Data Collection (CDC) was made available as open data on the Land and Information System Tasmania (the LIST). The CDC includes financial, infrastructure, human resources and planning data for all of Tasmania's 29 councils. Consistent with the *Tasmanian Government Open Data Policy*, the publication of the CDC promotes transparency and accountability.

In order to make comparative performance information even more accessible, the Director also committed to publishing a series of data 'snapshots'. These snapshots will help keep communities informed about council performance over time, and enable councils to identify areas for improvement.

The snapshots include a comparative table of data for all Tasmanian councils for the given financial year, along with a range of performance indicators related to the snapshot theme. Councils are also grouped together based on the Australian Classification of Local Governments (ACLG) thus allowing readers to compare 'like' councils.

Work on the first snapshot (LG DATA Rates Snapshot 2016-17) focusing on rates, commenced in 2017-18.

It should be noted that the Director of Local Government published four *LG DATA snapshots* in 2018-19 including the *LG DATA Rates Snapshot 2016-17*. Further information will be provided for the 2018-19 report.

Reforms undertaken during 2017–18 to improve the efficiency and effectiveness of local government service delivery

In 2017–18, the Local Government Division continued to support councils' feasibility studies into potential voluntary amalgamations and service sharing opportunities. The following three studies were completed in 2017–18:

- *Northern Tasmanian Councils Shared Services Study Report (July 2017)* – This study examined options for shared services between the group of eight northern Tasmanian Councils (Break O'Day, Dorset, Flinders, George Town, Launceston, Meander Valley, Northern Midlands and West Tamar Councils). These Councils have since committed to progressing reform opportunities.
- *Cradle Coast Authority Shared Services Project Final Report (September 2017)* – This study examined whether benefits existed for further sharing arrangements across the nine Cradle Coast Authority Councils (Burnie City, Central Coast, Circular Head, Devonport City, Kentish, King Island, Latrobe, Waratah-Wynyard and West Coast Councils). Seven of the nine Councils have since committed to exploring opportunities for shared services.
- *Tamar Valley Council Feasibility Study – West Tamar and George Town Councils (April 2018)* – This study examined the feasibility of a merger between the George Town Council and the West Tamar Council – to form a Tamar Valley Council. The West Tamar Council voted to release the Study and consult with its community on voluntary amalgamation, subject to the George Town Council's agreement to do the same. However, the George Town Council voted to end its involvement in the process and not to consult its residents and ratepayers. This effectively ended the process.

As previously reported, two feasibility studies were completed in 2016–17. In 2017–18, ongoing work in regards to these feasibility studies included:

- *Greater Hobart Local Government Reform Final Feasibility Report (January 2017)* – At the end of 2017, the then Lord Mayor wrote to the Premier on behalf of the Clarence City, Glenorchy City, Hobart City and Kingborough Councils proposing the establishment of a legislative framework to support collaboration. Work to develop a Greater Hobart Bill commenced shortly thereafter with the establishment of a dedicated working group in early 2018.
- *South East Councils Feasibility Study Final Report (September 2016)* – Following a request from the Sorell Council and the Tasman Council, the then Minister for Local Government requested that the Local Government Board undertake a review into amalgamation and resource sharing options for the two Councils. The review formally commenced in December 2017, with the Board delivering its findings and recommendations on 29 June 2018.

The *Greater Hobart Act* received Royal Assent on 16 August 2019. Further details will be provided for the 2018–19 report.

In 2018–19, the Sorell Council voted unanimously in favour of amalgamation while the Tasman Council agreed to conduct an elector poll on the issue. While not required under the *Local Government Act 1993*, the Tasman Council agreed to be bound by the outcome of the poll. More than two-thirds of respondents did not support the amalgamation. Further details will be provided for the 2018–19 report.

Under the current *Local Government Act 1993*, options for structural reform in the local government sector are limited. A comprehensive review of Tasmania's local government legislation framework is currently underway. The review will examine, among other things, how Tasmania's local government legislative framework can best support councils that wish to pursue more flexible governance and service delivery models. Further details will be provided for the 2018-19 report.

Initiatives undertaken and services provided to Aboriginal and Torres Strait Islander communities

During 2017-18, Tasmanian councils undertook a range of activities to support local Aboriginal communities. These activities included initiatives to increase awareness of Tasmanian Aboriginal culture and increase partnerships with local Aboriginal groups, including through:

- arts and cultural displays in council premises;
- events such as the Furneaux Island Festival and various NAIDOC events; and
- the development of an Early Learning Reconciliation Action Plan by the Waratah-Wynyard Council.

Tasmanian councils also support Aboriginal communities through reduced rents on the use of premises.

Local government reform activities including deregulation and legislative changes progressed in Tasmania in 2017-18

Local Government Amendment (Targeted Review) Act 2017

The *Local Government Amendment (Targeted Review) Act 2017* ('the Amendment Act') received Royal Assent on 22 November 2017. Complementary amendments were also made to the *Local Government (General) Regulations 2015*, in the first half of 2018.

Amendments made as part of the 2017 targeted review aimed to improve governance arrangements within councils in line with increasing community expectations for transparency and accountability. As well as tightening and clarifying existing Board of Inquiry processes, the Amendment Act introduced a new performance tool known as a 'Performance Improvement Direction (PID)'. The Director of Local Government may make a recommendation to the Minister for Local Government to issue a PID where the Director is of the opinion that a council or councillor(s) have failed to comply with a statutory requirement under the Act.

A PID can be used as an efficient and effective tool to provide early intervention and rapidly improve performance before it escalates and impacts more seriously upon the operations or governance of a council. PIDs may lessen the need for a Board of Inquiry or a Local Government Board review. Early intervention may also mitigate negative impacts and costs upon the Tasmanian community.

Another noteworthy amendment was the introduction of new provisions requiring councillors (or candidates) to notify the general manager if they receive a gift or donation, and for the general manager to keep a register of those gifts and donations.

Code of Conduct framework – implementation and review

A statewide Code of Conduct framework applying to all elected councillors first commenced on 13 April 2016. At the request of the local government sector, the Code of Conduct framework was reviewed following its first year in operation, to ensure that it was operating effectively and as intended.

During the review, the sector identified 43 recommendations for consideration by the Government. A formal Government response, proposing a reform package of 19 changes, was published in June 2018. The Government's response was broadly supported by the sector. Key elements of the Government's response included proposals to:

- introduce a new requirement on the parties to a complaint to demonstrate that they have undertaken 'reasonable efforts' to resolve an issue that is the subject of a complaint before a complaint is formally accepted;
- introduce a new provision to allow Panel Chairs to dismiss complaints on the basis of 'triviality', as well as frivolous and vexatious complaints;
- remove duplicative provisions, such as 'pecuniary interests' and 'misuse of information' from the Model Code (as offence provisions already applied under the *Local Government Act 1993*); and
- introduce a new provision to explicitly prevent all relevant parties from misusing information they obtain as part of a code of conduct investigation.

[The above changes were implemented in 2018–19 through a combination of legislative amendments, changes to the Code of Conduct framework and administrative and process improvements. Further details will be provided for the 2018–19 report].

Review of Tasmania's Local Government Legislative Framework

On 26 June 2018, the then Minister for Local Government, the Hon Peter Gutwein MP announced that the Government would undertake a major review of Tasmania's local government legislation (the Review).

The Review will deliver, in close collaboration with the local government sector, a best practice, 21st century framework that:

- supports greater innovation, flexibility and productivity;
- minimises red tape;
- enhances accountability and transparency, and
- increases community engagement, participation and confidence.

[The Review has been divided into four phases. Phase 1, which was completed in 2018–19, sought feedback on the principles that should underpin a local government legislative framework in Tasmania. Phase 2, where the Government sought feedback on its Reform Directions Paper, concluded on 30 September 2019. Following further consultation on the proposed reforms, new local government legislation will be drafted (Phase 3) and introduced into Parliament (Phase 4). Detailed information on each stage of the Review will be provided for subsequent Local Government National Reports].

Report from the Northern Territory Government

The methodology used for distributing funding under the Financial Assistance Grant program to local government for 2017–18 by the Northern Territory Grants Commission

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 Australian Government *Local Government (Financial Assistance) Act 1995*.

The Commission, in assessing relative need for allocating general purpose funding, uses the balanced budget approach to horizontally equalise, based on the formula:

Assessed expenditure need – 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

For the 2008–09 allocations the Commission resolved to use the latest ABS estimated resident population figures and then adjust the figures to align with the population total advised to Canberra from the Northern Territory Government Department of Treasury and Finance. The Northern Territory's funding is based on this total population figure. The same rationale was used for the 2017–18 calculations.

Revenue raising capacity

As the ownership of the land on which many communities are located is vested in land trusts established pursuant to the Australian Government *Aboriginal Lands Rights (Northern Territory) Act 1976* it is not for all intents and purposes 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 council rates, domestic waste and interest.

To accord with the national principles, other grant support to local governing bodies by way of the Roads to Recovery funding, 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 2017–18 allocations, financial data in respect of the 2015–16 financial year was used.

Expenditure needs

The assessment of standard expenditure is based on the Northern Territory's average per capita expenditure within the categories to which cost adjusters reflecting the assessed disadvantage of each local government are applied.

The Commission currently uses the nine expenditure categories in accordance with the Australian Bureau of Statistics Local Government Purpose Classifications. In the 2012–13 grant calculations an additional expenditure category was created (Regional Centre Recognition) to acknowledge the financial drains on municipal councils caused by urban drift.

This expenditure category has been used in all subsequent grant processes with the exception of the 2016–17 calculations where the Commission quarantined \$200 000 and allocated \$135 000 to the Alice Springs Town Council and \$65 000 to the Katherine Town Council. This quarantined pool of \$200 000 was again used for the 2017–18 calculations with the intent the approach would be reviewed every three years.

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. There are three cost adjustors being: location, dispersion and Aboriginality.

Minimum grants

For most local governments, the assessed expenditure needs exceed the assessed revenue capacity, meaning there is an assessed need. In five cases, assessed revenue capacity is greater than assessed expenditure need, meaning that there is 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, five local government councils receive a grant that is referred to as the minimum grant.

FORMULA

1. Revenue component

All councils:

Assessed revenue raising capacity	=	Total identified local government revenue
Total local government revenue	=	Assessed NT average revenue + other grant support + budget term

Where

Revenue category	=	Domestic waste, garbage, Municipal rates, Regional and Shire rates, special rates parking, special rates other, fines and interest
Domestic waste	=	Per capita
Garbage other	=	Actual
Municipal council rates	=	Average rate
Regional and Shire rates	=	Per capita
Interest	=	Actual
State income by revenue category 2015-16	=	Actual state local government gross income 2015-16
Actual state local government gross income 2015-16	=	\$179 653 413
Other grant support	=	Roads to Recovery grant 2016-17 50%, library grant 2016-17 and roads grant 2016-17
Budget term	=	Population x per capita amount
Total local government revenue for 2017-18 allocations	=	\$299 653 512

2. Expenditure components

Total local government expenditure of \$299 653 512 apportioned over each expenditure component:

(a) General public services (\$109 259 669)

Community population/Northern Territory population x general public services expenditure x Aboriginality

(b) Public order and safety (\$17 622 853)

Community population/Northern Territory population x public order and safety expenditure x (location + dispersion + Aboriginality)

(c) Economic affairs (\$31 972 672)

Community population/Northern Territory population x economic affairs expenditure x (location + dispersion)

(d) Environmental protection (\$25 285 170)

Community population/Northern Territory population x environmental protection expenditure

(e) Housing and community amenities (\$45 429 386)

Community population/Northern Territory population x housing and community amenities expenditure x (location + dispersion + Aboriginality)

(f) Health (\$3 970 759)

Community population/Northern Territory population x health expenditure x (location + dispersion + Aboriginality)

(g) Recreation, culture and religion (\$45 429 386)

Community population/Northern Territory population x recreation culture and religion expenditure x (location + dispersion)

(h) Education (\$3 030 408)

Community population/Northern Territory population x education expenditure x (location + dispersion + Aboriginality)

(i) Social protection (\$19 029 093)

Community population/Northern Territory population x social protection expenditure x (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:

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.

Changes to the methodology for distributing funding to local governments under the Financial Assistance Grant program for 2017–18 from that used in 2016–17

During the course of 2017–18 the usual data “refreshment” were undertaken upon receipt of the annual Northern Territory Grants Commission financial and roads returns. In the 2012–13 grant calculations, an additional expenditure category was created (Regional Centre Recognition) to acknowledge the financial drains on municipal councils caused by urban drift. This expenditure category had been used in all subsequent grant processes with the exception of the 2016–17 calculations where the Commission quarantined a pool totalling \$200 000 and subsequently allocated \$135 000 and \$65 000 to the Alice Springs and Katherine councils respectively. This quarantined pool of \$200 000 was again used for the 2017–18 calculations with the intent the approach would be reviewed every three years.

Developments in the use of long term financial and asset management plans by local governments

In 2017-18, a funding agreement was entered into with the Local Government Association of the Northern Territory (LGANT) and the Department of Local Government, Housing and Community Development (Department) to deliver a range of initiatives to support the use of long term financial and asset management plans. During the year, LGANT delivered the following activities through the funding provided by the Department:

- An external consultant was engaged to prepare an asset management strategy paper which was titled "Recognition and Accounting Treatment for Council Property". The content of this paper was to present a range of draft policies dealing with the valuation of council property assets that councils could consider adopting. A copy of the report was discussed at the Finance Reference group meeting and circulated to all councils.
- Two two-day Australian Institute of Company Directors courses tailored for the local government sector were convened. Day one of the two day course covered topics relating to good corporate governance and management of councils and the second day focused on council financial management including reporting, planning, budgeting and the importance of asset management.

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

In 2014-15, a Model Financial Statements Working Group was established comprising of members from LGANT, the Department and council staff to develop an annual financial reporting framework for the Northern Territory's local government sector. In 2015-16, the use of a sector-wide model financial statements was agreed and made available for all local government councils by LGANT.

LGANT circulated the endorsed sector-wide model financial statements to all councils to assist with preparing their annual financial statements. Most councils in the Northern Territory used this template as the basis for reporting their 2017-18 annual financial statements.

Reforms undertaken during 2017-18 to improve efficiency and effectiveness of local government service delivery.

A new \$5 million grant titled 'Strategic Local Government Infrastructure Fund' (SIF) was established and aimed at funding projects designed to lift the liveability and community development outcomes for regional and remote communities. Funded projects worked towards supporting and/or improving service delivery in communities. The SIF program is an application based grant with projects selected and approved by the minister responsible for local government. Approved projects included upgrades of waste management facilities; upgrade council staff housing in communities; upgrade communication infrastructure; repair and upgrade of council buildings and other infrastructure; and road repairs.

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. The primary role of local authorities was 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 2017–18 grant funding of \$5.4 million was allocated across the nine regional councils to assist with funding priority projects as identified by their respective local authorities.

In 2017–18, the Minister for Housing and Community Development approved the establishment of three new local authorities at Bulla, Amanbidji and Pigeon Hole for Victoria Daly Regional Council.

To 30 June 2018, local authorities had approved several local projects for their communities including upgrade of community amenities, playgrounds, water parks, sporting facilities, community lighting, community festivals and public toilets.

In 2017–18, grant funding totalling \$7.9 million under the Indigenous Jobs Development Fund was allocated to nine regional councils and one shire council to assist with subsidising 50 per cent of the cost of employing Aboriginal staff within their respective council. 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 in the areas of deregulation and legislative change

There were no local government reform activities in the areas of deregulation and legislative change undertaken within the Department during 2017–18.

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 'state-like' and 'local-like' 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 Council of Australian Governments (COAG).

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 seeks to engage with major cities in Australia to share solutions and advocate on issues faced by Australia's cities.

Methodology used for distributing funding under the Financial Assistance Grant program to local government for 2017-18 by your Local Government Grants Commission

No such body exists in the ACT.

Changes to the methodology for distributing funding to local government under the Financial Assistance Grant program for 2017-18 from that used in 2016-17

The only change to methodology that the ACT Government is aware of relates to the indexation of Financial Assistance Grants which resumed in the Commonwealth Budget following a three-year freeze. The ACT fully supports this measure by the Commonwealth.

In addition, the Commonwealth bought forward half of the ACT's 2017-18 funding entitlement into 2016-17 and repeated the exercise again in the 2018-19 Budget – brought forward approximately half of the 2018-19 funding entitlement for States and Territories into 2017-18. The ACT fully supports this measure by the Commonwealth.

Developments in the use of long-term financial and asset management plans by the ACT Government in 2017-18

In 2017-18 the ACT Government's Infrastructure Planning and Advisory Committee (IPAC) comprising Directors-General and Chief Executive Officers across the ACT Government continued to play key role in providing coordinated advice to the ACT Government on land, transport planning, municipal services and other service infrastructure. The committee also continued to work on a coordinated long-term strategy for Canberra's Infrastructure for government consideration.

The ACT Government Infrastructure Plan

In 2017–18 the ACT Government’s strategic infrastructure objectives were outlined in the *Infrastructure Plan 2011–21*:

- implementing strategic asset management and service planning across government agencies;
- exploring strategic opportunities across all agencies to support innovation and quality infrastructure design;
- climate change vulnerability assessments for ACT Government infrastructure;
- strengthening strategic infrastructure planning; and
- continuous improvement of the planning and delivery of new infrastructure investment in the Territory.

The ACT Government publishes annual updates to the *Infrastructure Plan* to inform business and the community of the current projects being undertaken through its Capital Works Program, while outlining works the Government is considering for future budget processes.

The ACT released a refreshed *Infrastructure Plan* in October 2019.

The Capital Framework

During 2017–18, the ACT Government continued to plan, manage and review capital works projects under the *Capital Framework*. The *Capital Framework* seeks to improve business case development, service and asset planning, as well as project definition and scope.

As part of the ACT Government’s commitment to improve the delivery of capital projects, whole-of-government training courses were run to facilitate understanding of the *Capital Framework* across government.

The Partnership 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
- evaluation of unsolicited proposals under a structured framework.

The *Partnerships Framework* continues to provide guidance on the procurement of major, complex infrastructure projects, including future PPPs, and the assessment of unsolicited proposals.

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.

ACT Government actions to develop and implement comparative performance measures between local governing bodies in 2017-18

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.

ACT Government reforms undertaken to improve the efficiency and effectiveness of service delivery in 2017-18

Access Canberra

Access Canberra provides a one-stop shop for ACT Government customer and regulatory services that aims to make it easier for community members to interact with the ACT Government. Access Canberra does this by providing an effective service hub through shopfronts, the contact centre and online services. Under the Access Canberra model, the Government provides over 700 different types of services to the ACT community through, amongst others: registering births, deaths, marriages and changes of name; issuing driver licences; inspecting and registering cars; issuing certificates of occupancy for houses and undertaking electrical, plumbing and gas inspections for new and existing buildings; providing advice on consumer rights and faulty household products; and licensing trades people.

To ensure community protection, Access Canberra as a regulator targets its resources to where the risks of harm, unsafe practices or misconduct are the greatest, thereby strengthening its capacity to act where the community, workers and the environment are most at risk. This regulatory approach utilises an engage, educate and enforce model which builds an understanding of regulatory obligations within the community and encourages compliance with various pieces of legislation.

In 2017-18, Access Canberra:

- increased the number of digital services available to 330, making it easier and simpler access information on a range of services including: land titles (through a new online portal); fair trading; Justices of the Peace; and operational licences;
- shopfronts and contact centre recorded more than 1 million visits, while the Access Canberra website recorded more than 3 million visits;
- implemented an Interactive Voice Response on 18 August 2017 to give priority to calls concerning work safety and urgent public safety issues (e.g. injured wildlife, sharps, issues with roads);
- expanded the webchat service to offer a more personalised experience, where 12,719 webchats were handled by the Contact Centre;
- centralised a Complaints Management Team which commenced on 1 July 2017 and managed 9,164 complaints;

- assisted event organisers in obtaining 479 approvals across 263 events and supported 10 new liquor businesses to commence trading;
- simplified forms, making them more accessible, with 330 services now offered online, and processed more than 6.4 million online transactions;
- launched the redesigned Access Canberra website which included new features such as a prominent search bar, pictorial selection of services, addition of feature articles to the home page, and topic-based pages, allowing for the promotion of key initiatives;
- introduced improvements to Fix My Street including a redesign for trees and shrubs, streetlights and pothole reporting which now includes real time delivery of incidents to depots and enables the closing of the feedback loop;
- developed a fair-trading portal that provides a one-stop shop for consumer and business fair trading information. The portal offers a quick and easy way for the community to lodge a complaint. It also brings together resources and tools in the one place, saving time, and supporting businesses to understand their rights and responsibilities;
- developed the Worksafe ACT portal that provides a one-stop shop for consumer and business WorkSafe information. The portal offers a quick and easy way for the community to report a workplace issue; and
- developed a Justice of the Peace (JP) online register, where customers can now locate an ACT JP in several ways: online search, visit a signing centre or phone. ACT JP's can also log into the Access Canberra website to update their personal profile.

Access Canberra will continue to actively engage with business, community groups and individuals to promote and support community safety while also working to identify areas to reduce red tape to make dealing with the ACT Government easier.

Education Directorate

The ACT Education Directorate delivers quality public school and early childhood education to shape every child's future and lay the foundation for lifelong development and learning. There are 88 public schools across the ACT providing quality education for students from preschool to Year 12. These include early childhood schools, primary schools, preschool to Year 10 schools, high schools, colleges and specialist schools.

Future of Education

In February 2017 the ACT Government committed to having a “big conversation” with the community to develop a 10-year strategy for the future of education in the ACT. This conversation took place over 16 months, with input from over 5,000 people. Guided by this conversation, and informed by peer-reviewed research, the ACT Government developed “The Future of Education Strategy” that will guide the education system over the next ten years.

The Strategy outlines the vision for education in the ACT for the next decade. It is based on what was heard through the conversation with the community and analysis of the issues by a range of education and community experts. It acknowledges strengths and points to where the jurisdiction needs to do better. The strategy includes four foundations for actions to be taken, four operating principles and a ‘roadmap’ for implementing those actions over the next ten years. It sets the culture and ethos of all learning environments by firmly placing students at the centre of everything schools do.

School Administration System

The ACT Government is investing \$10 million over three years in the provision of a new School Administration System (SAS) that will streamline parent interaction with schools and provide improved and more efficient school administration. SAS will be progressively implemented across all ACT Public Schools throughout and when fully implemented will ensure Canberra continues to be recognised as a leading digital city.

Implementation of this contemporary system will deliver outcomes to enable:

- An enhanced online enrolment process;
- A reduction in the number of paper forms between home and school with digital transactions including permissions, consent, payments and updating of student details;
- Improved access to data every day for schools to drive continued improvement in student learning;
- Online attendance marking and faster absence notifications to parents and guardians;
- Digital student academic reports and progress in learning and achievement standards; and
- Improved administrative efficiency for schools through automated workflows enabling staff to spend less time spent on administration and greater focus in the classroom.

This program builds on the successful digital services already available in ACT public schools including high speed internet and the implementation of Google Apps for Education and aims to enhance the partnerships between home and school.

Phase 3 of the SAS implementation will continue with the introduction of academic reporting and assessment.

ACT/NSW Cross Border Enrolment Arrangements

The ACT has adjusted, commencing in 2018, arrangements for NSW students attending ACT public schools. These adjustments have been made to recognise the impact of strong enrolment growth in ACT public schools and the consequent diminishing capacity of many public schools in the ACT to accept out of area students. NSW students are now accepted in selected schools in two zones in the ACT, a northern zone centred on Belconnen and a southern zone centred on Tuggeranong. There is no restriction on the number of NSW students that can be accepted in these zones and current enrolments will be honoured for existing students and their siblings.

City Services

City Services is responsible for delivering connected services for the people of Canberra.

The division delivers essential services that Canberrans rely on each day including public libraries, the collection of recycling and waste, graffiti removal, shop and playground upgrades and grass mowing. It is also responsible for the management of urban trees, public open spaces and city places including maintenance of shops, domestic animal services, animal welfare and other licensing and compliance services including ranger services and permits for public land use.

City Services manages several businesses such as Capital Linen Service and Yarralumla Nursery and provides administrative oversight to the ACT Public Cemeteries Authority.

Functional alignment of services

The functional alignment looked at how City Services worked as a division: how it gets things done, achieves business objectives and the challenges that may impact achieving these objectives.

The project determined whether the current functions and resourcing level of City Services business units align with the TCCS Strategic Plan and broader government objectives. The review also ensured functions were undertaken in the most appropriate and efficient manner.

The Review also considered:

- Whether current functions performed by business units align with TCCS priorities and policy commitments;
- Barriers preventing objectives being achieved;
- The feasibility and efficiency of alternative approaches to performing functions; and
- The proposed transition path to implement preferred alternative approaches.

Why functional alignment?

Recent organisational changes have brought together various business units under the City Services Division. There is now an opportunity to review and realign the various functions City Services undertake to provide better customer experience and more efficient delivery of services.

Key drivers for the functional alignment include:

- Improving customer experience — managing places for the purpose people want them for;
- Finding innovative ways to manage the public realm given current funding models are not sustainable;
- Changing the delivery of municipal services from asset-focused to place/customer-focused; and
- Building capability and capacity within City Services to thrive in the 21st century — attracting and retaining an agile, empowered and appropriately skilled workforce.

What an aligned City Services looks like

- Attract and retain an agile, diverse and empowered workforce;
- Improved quality and accessibility of the public realm. Pride in our places — reputation;
- Best customer service — efficient, easy, pleasant experiences;
- To be prepared for opportunities and challenges in the TCCS realm; and
- Promoting a “how can I help” customer service attitude.

Relationship with other bodies of work underway

The Functional Alignment is linked to other major bodies of work that City Services are currently undertaking such as the Staff Survey and Better Suburbs Program. Together, these projects work towards a common goal — to deliver connected services for Canberra.

Transport Canberra

Transport Canberra includes oversight of the construction of light rail, the Government subsidy paid to ACTION buses, and the strategic oversight of the public transport network, public transport asset management and the Active Travel Office.

During 2017–18, integration of the new Transport Strategy succeeded the Transport for Canberra policy. This aligned with the reviews of the ACT Planning Strategy Refresh and new ACT Climate Change Strategy. The new Strategy will look to future proof our transport system including predictions about how electric vehicles, automated vehicles, the ‘internet of things’ and the sharing economy will influence transport in the future.

The New Bus Network is part of a city wide integrated public transport network that can move people around Canberra effectively, providing a real alternative to the car. Improvements included more rapid services across the city and better connections between town centres. It also increased the number of bus trips past schools giving students and their families more options for using public transport between home and school. The New Bus Network is due to commence in early 2019.

In 2017–18, Transport Canberra:

- trialled alternative energy buses which included an electric bus and a hybrid diesel bus. The information gathered from this trial of new technology buses informed broader fleet replacement options into the future;
- procured 40 new buses to help service the New Bus Network. As well as increasing the number of bus services which can be offered across Canberra the new buses have increased efficiency and comply with the disability awareness guidelines, making them accessible for all Canberrans;
- worked with Transport for NSW to commence development of a business case for a faster rail route between Canberra and Sydney;
- developed the ACT Movement and Place Framework for Canberra which will support the strategic thinking in the new Transport Strategy and the ACT Planning Strategy refresh; and
- contributed to important policy development and key transport topics for the ACT’s transition to zero emission vehicles released through the ACT Government’s Action Plan 2018–21.

Light Rail

- The first stage of light rail from Gungahlin to the city was being constructed.
- The project continued to recognise the importance of community and business consultation with regular presentations and media updates an important focus.
- The project remained on schedule for completion in late 2018 with wider public transport and traffic signalling integration works underway to ensure a seamless operation from day one.

In 2017–18, Active Travel:

- installed Canberra’s first bike barometer in O’Connor to measure cyclist numbers daily and annually, and provide real time information to the community and government;
- development of a policy and regulatory framework for dockless bike share, including guidelines for prospective operations on protection of the public realm and compliance with applicable laws and regulations;

- launched the Bike Stop program — a collaboration with bicycle friendly businesses to allow cyclists to use their facilities to change, refresh or store cycle gear;
- community engagement activities to normalise active travel, including Canberra Walk and Ride Week, Walk to Work Day, Ride to Work Day, Big Canberra Bike Ride and the inaugural Ride Sally Ride — Women on Bikes in partnership with Jean Hailes Women’s Health Week;
- rolled out additional bike racks at Braddon;
- completed path extension works along Wells Station Drive at Franklin; and
- completed upgrades to the Stirling Avenue walkway at Watson.

Community Services

Housing and Homelessness Summit

The first ACT Housing and Homelessness Summit was held on 17 October 2017. The Summit was the culmination of a seven-week program of community consultation undertaken in response to the *‘Towards a new Housing Strategy: An ACT community conversation’* paper released in July 2017. It brought together a wide range of industry, community and government representatives, as well as people with lived experience of homelessness. This diverse range of participants were asked to consider and generate new ideas to tackle housing affordability. A summary report was released and will inform the actions recommended to government in the new ACT Housing Strategy.

Reducing homelessness

The Early Morning Centre is a community hub that provides support to vulnerable Canberrans, including those who may be sleeping rough. In 2017–18, the ACT Government committed to providing an additional \$100,000 each year for three years to the Early Morning Centre to expand services, enabling the centre to be innovative to support the needs of its’ clients. As a result, the Early Morning Centre extended its opening hours as of 30 October 2017 and is open from 7:30am-8:30am for breakfast and 9:00am to 2.00pm for drop-in centre and support services, Monday to Friday.

In the 2017–18 Budget, as part of a commitment to strengthening the Specialist Homelessness Sector, the ACT Government committed \$350,000 to fund development of a trauma informed approach to homelessness support for the ACT. Supporting the sector to address trauma effectively will contribute to improved long-term outcomes for clients, contribute to long-term housing stability and ultimately reduce demand on homelessness services and crisis responses.

\$350,000 was allocated in the 2017–18 Budget for a study into the long-term accommodation models and support requirements of people who are chronically homeless or at-risk of becoming homeless. The study will help better understand who is at risk in our community, and what their needs are, and will help to continue to build on the strengths of our homelessness services sector. Findings from the study will inform future asset and service planning and delivery in the ACT.

Energy Efficiency Improvement Scheme

In early 2017, Housing ACT in collaboration with the Environment, Planning and Sustainable Development Directorate entered into partnership with ActewAGL to deliver energy efficient products into public housing. A trial program was launched in December 2017 to improve energy efficiency and lower utility bills in ACT public housing homes under the Energy Efficiency

Improvement Scheme. This program is helping public housing tenants by replacing more than 200 old, inefficient heaters with better systems, including electric reverse-cycle units that will reduce energy bills and improve the comfort of homes all year round.

As the reporting is for 2017-18, this information is out of date and has been enhanced by other activities.

Children's Services Program

The Children's Services Program (CSP) assists vulnerable children and families within our community to access short-term early childhood education and care, where the primary caregiver is unavailable.

The CSP provides access for children who are most likely to benefit, and least likely to be able to access high quality early education and care services.

The early childhood education and care sector is an ever-changing landscape, influenced by Australian Government initiatives and both the not-for-profit and for-profit sectors.

During 2017-18, the Community Services Directorate used program data to reallocate funded placements to address new vacancy and service demand trends. This provided vulnerable children and families with greater access to early childhood education and care in their familiar environments. This increased their ability to engage in their local community and achieve social inclusion outcomes, benefitting overall wellbeing.

Community Development Program: Emergency Relief and Financial Support Program

Historically, the Community Services Directorate has funded several community organisations to deliver immediate or transactional emergency material and financial aid (EMFA).

Emergency material and financial aid services in the ACT provide short-term support to individuals and families experiencing disadvantage or financial crisis. Support may take various forms, including vouchers, grocery items, clothing and financial assistance.

In 2017-18, the Community Services Directorate led a redesign process to better understand the nature of poverty and emerging needs of people, as well as the effectiveness of current EMFA programs.

Throughout the consultation process, the importance of providing sustainable long-term support for families based on social inclusion and building relationships was highlighted. Feedback we received emphasised the importance of addressing the underlying causes of financial hardship, as well as providing crisis responses.

The Community Services Directorate leveraged the knowledge and experience of the community sector to identify how service models could be transformed to introduce ways in which we can identify and address the underlying causes of financial hardship, while responding to the immediate crisis.

To inform the redesign process, the Community Services Directorate held two community forums, reviewed several community submissions and held a workshop to develop a statement of requirements for EMFA programs. Through this, the Community Services Directorate learned that EMFA needs to extend beyond the provision of immediate financial or material aid and acknowledge that people who seek this type of support may also benefit from services to help them address issues in key areas of wellbeing.

By providing emergency relief and linking families to information or services where appropriate, EMFA providers play a key role in enabling individuals and families to participate in school and community life, building capacity and resilience.

In line with the *Procurement Act 2001*, and following advice from the Government Procurement Board, the Community Services Directorate proceeded with a public tender for three components of the broader Emergency Relief and Financial Support Program (previously known as EMFA). These being: food assistance, emergency material and financial aid (EMFA); and no interest loan program.

The public procurement process, as noted above, closed in January 2018, and resulted in a significant change to the food assistance approach supported by Territory funds. The change saw an increase of local fresh food available to Canberrans in need.

For the two remaining components (ACT Microcredit Program and financial counselling), the Directorate undertook single select procurement processes due to the specialised nature of the two components.

New contracting arrangements commenced 1 July 2018, with five community organisations. The new contracting arrangements see a strong focus on what we refer to as a 'relational approach', rather than focusing on poverty, the relational approach provides support to enhance social inclusion, and includes services such as advocacy, case management, counselling and referrals.

ACT Government initiatives undertaken in relation to service delivery to Aboriginal and Torres Strait Islander communities in 2017–18

The ACT Aboriginal and Torres Strait Islander Agreement 2015–18

The *ACT Aboriginal and Torres Strait Islander Agreement 2015–18* was signed on 23 April 2015 by the Chief Minister, the Chair of the Aboriginal and Torres Strait Islander Elected Body, the Minister for Aboriginal and Torres Strait Islander Affairs, and the Head of the ACT Public Service. The Aboriginal and Torres Strait Islander Elected Body has continued to play a key role in the oversight of the Agreement.

The *ACT Aboriginal and Torres Strait Islander Agreement 2015–18* is a foundational document that affirms the ACT Government's commitment to reconciliation between Aboriginal and Torres Strait Islander Australians and non-Indigenous Australians.

The Agreement is based on community and stakeholder feedback that "Strong Families" are the key to improving resilience and achieving equitable outcomes for members of the Aboriginal and Torres Strait Islander community in the ACT. The Agreement focusses on seven key focus areas:

- cultural identity;
- healthy mind, healthy body;
- feeling safe;
- connecting the community;
- employment and economic independence;
- education; and
- leadership.

Reporting on measures to support Aboriginal and Torres Strait Islander people in the ACT community is provided in detail in the 2017-18 Annual Reports of all ACT Government Directorates. The Annual Reports contain a dedicated section to reporting on Aboriginal and Torres Strait Islander programs/policies and initiatives. This reporting includes: actions to supporting the community; services for children and families; supporting vulnerable children and young people; and actions taken to showcase government and community working together.

In 2017, the *Aboriginal and Torres Strait Islander Agreement 2015-18 Outcomes Framework* (the Outcomes Framework) was developed. The Outcomes Framework is designed to evidence the way programs and initiatives support specific population-based outcomes. It provides a shared understanding of specific outcomes that the community expects and unifies effort across government. Further, it provides a mechanism for a gap analysis of community needs against government service provision and aids the understanding of the appropriateness of service delivery models between culturally specific programs, culturally differentiated mainstream services and culturally autonomous and delivered services. The Outcomes Framework will form part of the Annual Report of the *Aboriginal and Torres Strait Islander Agreement 2015-18*.

The *ACT Aboriginal and Torres Strait Islander Agreement 2019-2028* was launched in early 2019. The ACT will provide input into the 2018-19 Local Government National Report against the priorities identified in this Agreement.

ACT Government deregulation and legislative change in 2017-18

Deregulation Reforms

The ACT Government oversaw the establishment of drone delivery service in ACT which considered the regulatory issues and supporting Standing Committee Inquiry into drone delivery systems. Wing's (drone delivery company) trial in the ACT has assisted Commonwealth regulators better understand and respond to community attitudes to this new technology and how to accommodate drone delivery in our cities into the future.

- As the result of significant evidence at the Standing Committee Inquiry, the Commonwealth re-evaluated their interpretation of 'aircraft' to establish that drones are considered 'aircraft' and are regulated by Commonwealth legislation.
- The ACT Government is working collaboratively with Commonwealth regulatory authorities to encourage and support the collection of sound, independent evidence regarding drones. Currently co-sponsoring a joint paper with the Commonwealth to the Transport and Infrastructure Senior Officials Meeting.

The ACT Government has undertaken reforms to enact the *Controlled Sports Act 2019*. The legislation provides for the regulation of combat sports events in the ACT and sets clear expectations for industry regarding the conduct of events, with an emphasis on the safety of contestants, and the integrity of the activities in general. The regulatory changes included:

- updated Code of Practice; and
- the Boxing Control Regulation which specifies what is not a boxing contest.

The ACT Government has continued with its introduction of an annual omnibus bill for red tape reduction to complement the Government's program of reforms. The legislative amendments in 2017–18 made changes including:

- a series of amendments to the *Associations Incorporation Act 1991* to make the ACT more aligned with other jurisdictions including amendments to accounts, audit and financial reports;
- remove references to obsolete processes and procedures within the *Land Titles Act 1925*; and
- reducing red tape and improve administrative processes within the *Nature Conservation Act 2014*.

The ACT Government is planning, constructing and operating light rail today to ensure the Canberra of tomorrow. The first stage of light rail connects the fast-growing area of Gungahlin with the City. It commenced taking passengers on 20 April 2019. Several regulatory reforms were required to support the operation of light rail services.

The *Road Transport Reform (Light Rail) Legislation Amendment Act 2017*, passed in August 2017, supported the operation of light rail within the road environment of the ACT by integrating light rail vehicles within the ACT's compulsory third-party insurance scheme. The ACT included additional amendments to the *Criminal Code 2002* to make it an offence to take a light rail vehicle, a bus or heavy vehicle without consent.

The *Road Transport Reform (Light Rail) Legislation Amendment Act 2018*, passed in May 2018, focused on regulating the operation of the light rail as a public passenger service and provided the regulatory foundation for the delivery of light rail passenger services. The Act addressed matters such as ticketing and the conduct and behaviour of passengers and persons engaging with the light rail service. The Act also takes the first steps in regulatory reform to create a seamless customer experience across the Territory's public transport network.

The *Road Transport Legislation Amendment Regulation 2018 (No 2)* commenced on 7 September 2018. This regulation aligned the regulatory settings across public passenger modes, in particular across light rail and bus services and set the infringement notice penalty amounts for light rail related offences. It also introduced a set infringement penalty for children who are 14 years of age and older but not older than 18 years old. Without this, the default rate would apply.

Report from the Australian Local Government Association

Development in the use of long term financial and asset management plans by local government

All states and territories have implemented programs to assist councils to focus on long-term financial and asset management practices over the past decade. This is in line with agreements made by the Local Government and Planning Ministers Council in the mid-2000s.

In 2017-18, 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 \$444.6 billion (ABS Cat 5512, April 2019). Many of these assets have been accumulated over decades, sometimes with state or Commonwealth capital assistance without regard to life-cycle costs.

Local government revenue in 2017-18 was in the order of \$46.8 billion, and given the significant level of assets under management, councils face considerable difficulties in maintaining and renewing these assets at the same time as providing the other services that are expected by local and regional communities and other levels of governments.

To develop a better national understanding of local governments' non-financial assets and monitor progress, ALGA commissioned TechnologyOne Strategic Asset Management to develop the 2018 State of the Assets Report. This report estimated that the replacement cost of land and fixed assets supporting the various economic (e.g. roads, buildings, water supply, etc.) and social services (e.g. health, welfare services, etc.) provided by local government is in the order of \$426 billion as reported at the end of June 2017. The greatest proportion of infrastructure assets by value is Roads (Sealed and Unsealed pavements) at 39%.

The 2018 State of the Assets Report estimated an infrastructure renewals backlog of around \$30 billion. This exceeds the funding capacity of the local government sector under current revenue arrangements. Councils also estimate \$24 billion of current infrastructure value has poor capacity. The actual upgrade cost of substandard infrastructure is likely to be up to five times that value.

This is the beginning of the renewal of the infrastructure built during the "baby boom" and rapid growth period in the 60's and 70's. There has been a steady increase in renewal spending since 2005, but the proportion of infrastructure in poor condition is not going down indicating it is likely that there will be a major renewal phase over the coming 20 years.

The most recent ABS statistics (ABS Cat 5512, April 2019) state that the three highest levels of local government expenditure in 2017-18 are in aggregate – \$8.67B on General Public Services, \$7.96B on Transport and Communications and \$6.04B on Recreation, Culture and Religion. This figure includes expenditure of Roads to Recovery funding of \$697 million in 2017-18 Budget (due to additional funds for the financial years between 2015-16 and 2017-18).

Local roads make up around 75% of the national road network (by length) and service every Australian and business on a daily basis. ALGA continues to work with the Transport and Infrastructure Council and all jurisdictions on road reform including independent price regulation, forward looking cost base, community service obligations, heavy vehicle charging, 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 issue of road user charging is becoming increasingly important as developments in motor vehicle technology, particularly improvements in fuel efficiency and the move to electric vehicles and then autonomous vehicles gather pace. At the same time, fiscal constraints on meeting the required level of capital investment for roads has led to increased focus on improved transparency around road expenditure, investment and service delivery.

Some of the challenges facing the local government road network, 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 unsustainable reliance on intergovernmental transfers for road funding which themselves rely on unsustainable road taxes and charges;
- The competing funding pressures from other government services; and
- The need for road investment to more clearly reflect whole of life costs and road user needs particularly to accommodate the larger and heavier high productivity heavy vehicles.

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. Any performance measures that are in place are currently established and managed by state and territory governments often with a different approach. In the late 1990s Local Government Ministers considered such a system and agreed that it was not feasible, given the significant variation of services across state and territories.

However, ALGA supports the availability of accurate, timely and consistent data to enable an evidence based research, planning and outcomes. Where possible, ALGA advocates for this approach which has also been confirmed in many Parliamentary research reports in recent years.

Reforms undertaken during 2017–18 to improve the efficiency and effectiveness of local government service delivery

ALGA and its state and territory associations strongly support regional collaboration and shared services. State and territory governments over the past 25 years have pursued policies of amalgamation including in Victoria, Queensland, and New South Wales, and a failed attempt at metropolitan amalgamations in Western Australia. In recent years there has also been a substantial change to the structure of local government in the Northern Territory. ALGA opposes forced council amalgamations.

During 2017–18, ALGA continued to support the Federal Government’s Smart Cities and Suburbs Program, providing guidance to the Government. Councils and communities around Australia are embracing new technologies. Councils are providing free wifi, communicating with and consulting through online forums and social media, and developing more sophisticated websites and mobile apps to enhance service provision to their communities. However, councils are at very different stages of the journey, and digital transformation is by no means uniform across councils.

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 greatest 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.

During 2017-18 some Councils were signatories to the Federal Government's City Deals which facilitate a partnership between the three levels of government to work towards a shared vision for a place, town or region. The City Deal model provides greater co-ordination, certainty and efficiency of infrastructure provision.

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

ALGA supports the Closing the Gap initiatives and notes the range of important work and services delivered by local governments to urban, regional and remote Aboriginal and Torres Strait Islander communities.

Over the past decade, ALGA's engagement on Indigenous issues has primarily focused on the Council of Australian Government (COAG) and relevant Ministerial Councils. Issues that have been progressed by COAG including: Closing the Gap including health and education, the National Partnership Agreement on Remote Indigenous Housing (NPARIH), Indigenous economic advancement including employment and procurement, investigations into Indigenous land administration and use, and community safety.

Within these processes, ALGA's primary role has been to:

- Advocate to ensure that Commonwealth State intergovernmental arrangements take account of local government issues; and
- Advocate that state and territory local government associations be consulted in the development and implementation of relevant policies.

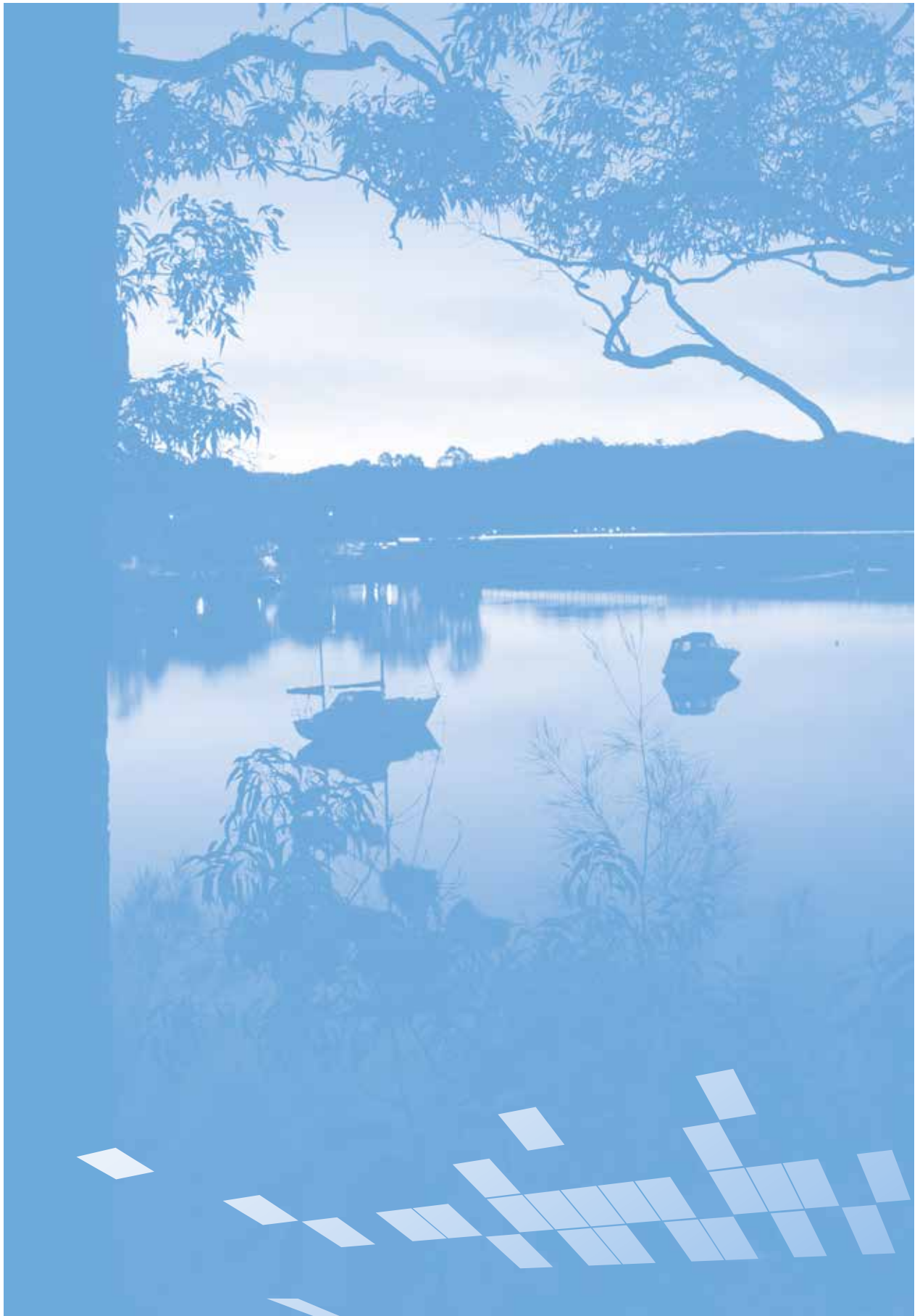
While local governments have general responsibilities for the provision of local services and infrastructure to all Australians including Aboriginal and Torres Strait Islanders², generally the Commonwealth and states and territories have the primary responsibility for the provision (and funding) of government services and infrastructure to Indigenous people and Indigenous communities, particularly remote Indigenous communities.

In particular many remote Aboriginal and Torres Strait Islander local governments in WA, NT, Qld and SA rely on the support for housing and infrastructure delivered under the National Partnership Agreement into Remote Indigenous Housing (NPARIH). The NPARIH is a Commonwealth and State/Territory Agreement signed in 2008 and which expired in 2016.

² Broadly by definition, councils have a responsibility for the provision of local government services and Infrastructure in Indigenous communities but this is limited to the extent that they are empowered and resourced by state and territory governments.

In Queensland alone this agreement is estimated to have created more than 400 local jobs including around 100 apprentices and in these communities few alternative jobs exist. Any reduction in funding will create significant economic losses and employment for neighbouring council communities which supply construction materials and associated professional support for housing construction. There would also be negative social consequences associated with overcrowding and unemployment including less youth participation in education, rise in juvenile crime, rise in domestic and family violence, and a rise in general social unrest in the communities.

ALGA remains concerned that the continuation of this agreement is not assured across all jurisdictions and has called for this critical partnership agreement to be renewed with adequate funding and long term certainty.



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 pool among councils and a separate model for allocating the local road pool. This appendix provides a comparison of the approaches the grants commissions used for determining 2017–18 allocations.

General purpose

In allocating the general purpose pool 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 (see 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 three-step procedure to determine the general purpose allocations.

- Step 1 Commissions determine an allocation of the general purpose pool 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 two, 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 pool for the jurisdiction has been completely allocated. More details on the approaches grants commissions use for steps 1 and 3 are provided in the following.

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 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]; and
- (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 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 grants 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 two 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 37 shows the type of distribution model used by each commission.

Table 37 Distribution models used for general purpose grants for 2017–18 allocations

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 five 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	<i>equals</i>	assessed costs of providing services
	<i>plus</i>	assessed average operating surplus/deficit
	<i>less</i>	assessed revenue
	<i>less</i>	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. It can be summarised as:

General purpose	<i>equals</i>	an equal per capita share of the general purpose pool
	<i>plus</i>	expenditure needs
	<i>plus</i>	revenue needs
	<i>plus</i>	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 38 shows the differences in the scope of equalisation of the commissions.

Table 38 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
– airports	Yes	Yes	Yes	Yes	No	Yes	No
– public transport	No	No	Yes	No	No	N/A	No
– 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							
Rate revenue	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Operation subsidies	No	No	No	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 territory.

Revenue assessments

Sources of revenue for local government are rates, user charges and government grants. The treatment of revenue assessments is discussed in the section below.

New South Wales undertakes an assessment of a councils' relative capacity to raise revenue and uses 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. This reflected a concern 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'. 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 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 three-year average of valuation data.

The Victoria 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 state-wide 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.

Queensland uses the revenue categories of: rates; garbage charges; fees and charges; and other grants and subsidies. Queensland's rating assessment is the total Queensland rate revenue divided by the total land valuation for Queensland. This derives a cent in the dollar average, which is then multiplied by the 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. The methodology uses three of the indices: Index of Relative Socio-Economic Advantage and Disadvantage (Socio-Economic Indexes for Areas 2); Index of Economic Resources (Socio-Economic Indexes for Areas 3); and Index of Education and Occupation (Socio-Economic Indexes for Areas 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**, an average standard is calculated based on actual revenues in five revenue categories and then applied to key data to generate revenue assessments for each local government. The categories are: residential, commercial and industrial rates; agricultural rates; pastoral rates; mining rates; and investment earnings. In 2017-18, the Commission changed the weightings applied to the revenue assessments and valuations for the revenue categories. The new weightings have created a stronger correlation to actual rate revenue resulting in a significant improvement for a number of local governments.

South Australia estimates the revenue raising capacity of each council for each of five land use categories: residential, commercial, industrial, rural, and other. To make these estimates, the state average rate in the dollar is used – that is, the ratio of total rate revenue to total improved capital values of rateable properties. This result shows how much rate revenue a council is able to raise relative to the average. To overcome fluctuations in the base data, valuations, rate revenue and population are averaged over three years.

Tasmania assesses a council's standardised revenue by applying a standard rate in the dollar to the assessed annual value of all rateable property in its area, plus the council's per capita grant allocation and certain other financial support payments. Councils that are assessed to have a negative standardised deficit (a surplus where revenue capacity is greater than expenditure requirement) do not receive a relative needs grant component. These councils only receive a population share of the per capita minimum grant portion of the base grant component.

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. In five cases in Northern Territory, assessed revenue capacity is greater than assessed expenditure need, meaning that there is no assessed need.

Other grants support – National Principle

The fourth National Principle for the general purpose grants (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 grants received and the expenditure it funds should be included in the allocation process.

Table 39 provides details on the grants included by commissions in allocating the general purpose component in 2017-18.

Table 39 Grants treated by inclusion for 2017–18 by jurisdiction

State	Grants treated by inclusion in general purpose allocations
NSW	Local road grant and library grant. For other recurrent grant support the grant is deducted from the council's expenditure before standard costs are calculated.
Vic	All Australian and state government recurrent grants including each council's local road grant and Roads to Recovery program grant.
Qld	Grants relevant to the expenditure categories are: previous year's local roads component (50 per cent); Queensland Government Financial Aid (Indigenous councils only – 20 per cent); and minimum grant component of previous year's general purpose component of the Financial Assistance Grant program (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 such as those for library services and the local road grants are included in the revenue assessments for councils.
Tas	In Tasmania all revenues received by councils are included in the base grant assessment (except where a case is made for its exclusion). The included revenues are treated as either: in the standardised revenue calculation (if those revenues are within the scope of council's sphere of influence); or included as other financial support (if those revenues and grants are received from sources where the council has no influence over what revenue or grant is derived).
NT	The Northern Territory includes funding from the Roads to Recovery program (50 per cent of the grant), library and local roads grants, which are recognised in the revenue component of the methodology

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 section below.

New South Wales calculates expenditure for twenty-one council services. These services are: general administration and governance, aerodromes, services for aged and disabled, building control, public cemeteries, services for children, general community services, cultural amenities, control of dogs and other animals, fire control and emergency services, general health services, library services, noxious plants and pest control, town planning control, recreational services, stormwater drainage and national report flood mitigation, street and gutter cleaning, street lighting, and maintenance of urban local roads, sealed rural local roads, and unsealed rural local roads. An additional allowance is calculated for councils outside the Sydney statistical division that recognises their isolation.

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.

The standardised expenditure is calculated for each **Victorian** council on the basis of nine 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 nine expenditure functions in the model matches the pattern of

actual council expenditure. For three expenditure functions (governance; environment and business; and economic services), an adjusted 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 the 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 function, councils with an actual population of less than 20,000 are deemed to have a population of 20,000. For the environment function, councils with a population less than 15,000 are assumed to have a population double that amount, to a maximum of 15,000.

Queensland includes nine 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. Further, Queensland applies the suite of cost adjusters to service categories.

Western Australia assesses the standard or average expenditure needs for each local government over six expenditure categories. These are 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 disabilities which recognise the additional costs that individual local governments experience in the provision of services due to growth and location.

South Australia 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 12 expenditure categories in addition to the local road categories.

Tasmania calculates its standardised expenditure by calculating the total state-wide spending for each expenditure category and the share of the total expenditure between councils on a per capita basis (standard expenditure), and then applying cost adjusters to 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; scale (admin); climate; scale (other); dispersion; tourism; isolation; unemployment; population decline; worker influx and regional responsibility.

The assessment of standard expenditure is based on the **Northern Territory** average per capita expenditure within the expenditure categories to which cost adjusters reflecting the assessed disadvantage of each local government are applied. The Northern Territory Grants Commission currently uses nine expenditure categories in accordance with the Australian Bureau of Statistics Local Government Purpose Classifications.

Assessing local road expenditure needs under the general purpose grants

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 2017-18 are discussed below.

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' proportion of the state's population, local road length and bridge length.

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 includes 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.

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 divides local road funding in the metropolitan area and non-metropolitan areas differently. In metropolitan areas, allocations to individual councils are determined 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.

Tasmania uses a roads preservation model to determine the relative road expenditure needs for each council. The roads preservation model reflects the mix of road and bridge assets maintained by councils and estimates the cost of asset preservation for both roads and bridges. The model assesses the road preservation component for each council in three road classes: urban sealed, rural sealed and unsealed roads.

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 for sealed, 12 for gravel, 10 for cycle paths, seven for formed and one for unformed. 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 grants (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 below.

In **New South Wales**, services to aboriginal communities are considered as part of the expenditure allowances. 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.

Queensland applies a cost adjustor for location that recognises that rural, remote and Indigenous communities generally have higher costs associated with service delivery. The jurisdiction also applies a cost adjustor for population in both Indigenous and non-Indigenous councils to account for Indigenous descent whereby the assessed expenditure per capita is increased in accordance with the proportion of Indigenous population and, additionally, for Indigenous people aged over 50.

Western Australia applies an Indigenous factor as a disability for its governance expenditure standard in its calculation of general purpose grants and considers Indigenous population data from the Australian Bureau of Statistics when calculating the disabilities applied to the expenditure standard.

In **South Australia**, grants are allocated to the five Aboriginal communities recognised as local governing authorities. 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 South Australian Local Government Grants Commission used the services 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.

Tasmania has not provided information on how its methodology meets the needs of Indigenous communities.

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, grant 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 2017–18.

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.

There are two 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 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.

Grants to councils with raw grant allocations below the minimum grant (including negative grants) 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 grants 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).

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. The Northern Territory allocates funding based on road length and road 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 seven per cent and 15 per cent respectively for funding priority local road projects. Expert committees provide advice on the projects to be funded.

Table 40 summarises the main features of the models used by the commissions for allocating local road grants in 2017-18.

Table 40 Allocating local road grants in 2017–18

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, five 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, seven 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 set of five cost modifiers for freight loading, climate, materials, sub-grade conditions and strategic routes, and takes into account the deck area of bridges on local roads.</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 the asset preservation model.</p> <p>Under the arrangements approved for Western Australia, seven per cent of the 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. 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 other local governments.</p>
SA	<p>In South Australia, the identified local road grants component is divided into formula grants (85 per cent) and special local road grants (15 per cent). The formula component is divided between metropolitan and non-metropolitan 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 South Australian Local Government Transport Advisory Panel. This panel is responsible for assessing submissions from regional associations on local road projects of regional significance.</p>
Tas	<p>Allocation of the road grant is based on an asset preservation model which uses the estimated cost of preservation of both roads and bridges per annum.</p> <p>The road preservation model uses dimensions of the average Tasmanian road, as well as average costs and maintenance schedules, to calculate the state average cost per kilometre per annum for councils to maintain their road networks. Three road types are included within the assessment: urban sealed, rural sealed and unsealed roads.</p> <p>Cost adjusters and an allowance are applied within the model to account for the relative cost advantages or disadvantages faced by councils in maintaining roads. These cost adjusters include rainfall, terrain, traffic and remoteness. An urbanisation allowance is also applied to road lengths in recognised urban areas.</p> <p>Bridge and culvert asset preservation costs are indexed annually by the Average BCI component unless the cost per metre is restructured following a review of the rates assumptions.</p>
NT	<p>To determine the local road grant, Northern Territory applies a weighting to each council by road length and surface type. These weightings are: 27 for sealed, 12 for gravel, 10 for cycle paths, seven for formed and one for unformed. 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 2017–18



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 2017–18. 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 2017–18. Additional comparative information on grants received is provided in Chapter 2.

Councils receiving the minimum per capita grant in 2017–18 are indicated with a hash (#) 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 to calculate the state share of general purpose grants and those used by the local government grants commissions for allocations to individual councils. For further information on the minimum grant entitlement, see Chapter 2.

Indigenous local governing bodies are identified 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 an 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 41 Distribution to councils in New South Wales for 2017-18

Council name	Classification	Population ^a Number	Council area sq km	Road length km	2017-18 actual entitlement					
					General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Albury City Council	URM	52 411	306	527	4 893 630	1 342 528	6 236 158	93.37		2 547.49
Armidale Regional Council	URM	30 045	8 620	1 873	3 965 501	2 340 814	6 306 315	131.99		1 249.77
Ballina Shire Council	URM	42 556	485	619	2 962 454	1 322 809	4 285 263	69.61		2 137.01
Bairnald Shire Council	RAM	2 385	21 693	1 328	2 512 550	1 274 072	3 786 622	1 053.48		959.39
Bathurst Regional Council	URM	43 080	3 816	1 146	4 313 984	1 904 002	6 217 986	100.14		1 661.43
Bayside Council	UDV	160 944	50	354	3 281 689	1 105 323	4 387 012	20.39	#	3 122.38
Bega Valley Shire Council	URM	33 662	6 279	1 169	4 945 671	1 876 888	6 822 559	146.92		1 605.55
Bellingen Shire Council	RAV	13 066	1 600	554	2 610 288	915 211	3 525 499	199.78		1 652.01
Berrigan Shire Council	RAL	8 420	2 066	1 272	3 127 178	1 331 276	4 458 454	371.40		1 046.60
Blacktown City Council	UDV	348 138	240	1 289	13 298 553	3 226 032	16 524 585	38.20		2 502.74
Bland Shire Council	RAL	5 917	8 558	2 925	4 392 609	2 842 896	7 235 505	742.37		971.93
Blayney Shire Council	RAL	7 457	1 525	681	1 675 440	814 311	2 489 751	224.68		1 195.76
Blue Mountains City Council	UFL	80 072	1 431	724	7 316 416	1 338 003	8 654 419	91.37		1 848.07
Bogan Shire Council	RAM	3 007	14 601	1 371	2 455 695	1 398 504	3 854 199	816.66		1 020.06
Bourke Shire Council	RAM	2 814	41 605	1 883	3 687 297	1 834 048	5 521 345	1 310.34		974.00
Brewarrina Shire Council	RAS	1 875	19 165	1 272	2 442 106	1 257 060	3 699 166	1 302.46		988.25
Burwood Council	UDM	36 505	7	82	744 347	251 582	995 929	20.39	#	3 068.07
Byron Shire Council	URM	33 278	566	560	1 858 266	1 108 953	2 967 219	55.84		1 980.27
Cabonne Shire Council	RAV	13 999	6 024	1 708	2 669 819	1 982 009	4 651 828	190.71		1 160.43
Campbelltown City Council	UFV	161 998	312	674	8 278 169	1 674 775	9 952 944	51.10		2 484.83
Canterbury-Bankstown Council	UDV	359 671	110	857	8 275 763	2 565 988	10 841 751	23.01		2 994.15
Carrathool Shire Council	RAM	2 760	18 933	2 300	3 356 834	2 219 836	5 576 670	1 216.24		965.15

Distribution to councils in New South Wales for 2017–18 (continued)

Council name	Classification	Population ^a Number	Council area sq km	Road length km	2017–18 actual entitlement					
					General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Central Coast Council (NSW)	UFV	334 857	1 681	2 001	20 962 863	4 254 081	25 216 944	62.60		2 125.98
Central Darling Shire Council	RTM	2 070	53 494	1 602	3 639 029	1 534 841	5 173 870	1 757.99		958.08
Cessnock City Council	URM	56 532	1 965	889	5 416 700	1 615 038	7 031 738	95.82		1 816.69
City of Canada Bay Council	UDL	90 427	20	189	1 843 830	611 385	2 455 215	20.39	#	3 234.84
City of Lithgow Council	URS	21 474	4 512	881	3 256 415	1 216 031	4 472 446	151.64		1 380.28
City of Parramatta Council	UDV	235 981	84	694	7 371 759	1 952 109	9 323 868	31.24		2 814.04
Clarence Valley Council	URM	51 211	10 429	2 068	7 483 624	3 167 208	10 650 832	146.13		1 531.53
Cobar Shire Council	RTL	4 989	45 571	1 693	3 829 840	1 662 911	5 492 751	767.66		982.23
Coffs Harbour City Council	URL	73 892	1 174	789	5 185 841	2 084 270	7 270 111	70.18		2 641.66
Coolamon Shire Council	RAM	4 419	2 431	1 192	2 227 075	1 180 907	3 407 982	503.98		990.69
Coonamble Shire Council	RAM	4 188	9 916	1 393	2 303 459	1 423 204	3 726 663	550.01		1 021.68
Cootamundra-Gundagai Regional Council	RAV	11 392	3 981	1 265	3 395 589	1 508 787	4 904 376	298.07		1 192.72
Council of the City of Broken Hill	URS	18 557	170	211	3 909 730	486 750	4 396 480	210.69		2 306.87
Council of the City of Ryde	UDL	119 544	41	308	2 437 532	894 558	3 332 090	20.39	#	2 904.41
Council of the City of Shellharbour	URL	70 734	147	384	4 210 988	857 935	5 068 923	59.53		2 234.21
Council of the Municipality of Wollahra	UDM	59 860	12	140	1 220 561	428 342	1 648 903	20.39	#	3 059.59
Cowra Shire Council	RAV	12 527	2 809	1 196	2 941 653	1 396 622	4 338 275	234.83		1 167.74
Cumberland Council	UDV	222 758	72	479	5 878 390	1 574 742	7 453 132	26.39		3 287.43
Dubbo Regional Council	URM	51 449	7 536	2 551	7 862 570	3 271 087	11 133 657	152.82		1 282.28
Dungog Shire Council	RAL	9 323	2 250	601	1 565 794	880 586	2 446 380	167.95		1 465.20

Distribution to councils in New South Wales for 2017-18 (continued)

New South Wales		2017-18 actual entitlement									
		Classification	Population ^a Number	Council area sq km	Road length km	General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Edward River Council	RAL	8 876	8 881	1 397	3 691 135	1 471 665	5 162 800	415.86		1 053.45	
Eurobodalla Shire Council	URM	38 119	3 428	944	5 193 057	1 588 622	6 781 679	136.23		1 682.86	
Fairfield City Council	UDV	207 022	102	610	7 465 761	1 666 380	9 132 141	36.06		2 731.77	
Federation Council	RAV	12 569	5 685	2 019	4 381 941	2 137 247	6 519 188	348.63		1 058.57	
Forbes Shire Council	RAL	9 768	4 718	1 745	3 179 528	1 867 455	5 046 983	325.50		1 070.17	
Georges River Council	UDV	149 489	38	366	3 048 118	1 065 027	4 113 145	20.39	#	2 909.91	
Gilgandra Council	RAM	4 349	4 832	1 294	2 266 459	1 344 087	3 610 546	521.14		1 038.71	
Glen Innes Severn Council	RAL	9 001	5 480	1 094	2 558 283	1 331 206	3 889 489	284.22		1 216.82	
Goulburn Mulwaree Council	URS	29 918	3 220	1 128	3 182 548	1 649 835	4 832 383	106.38		1 462.62	
Greater Hume Shire Council	RAV	10 406	5 749	1 781	2 996 881	1 971 643	4 968 524	288.00		1 107.04	
Griffith City Council	URS	26 125	1 640	1 244	3 593 493	1 567 233	5 160 726	137.55		1 259.83	
Gunnedah Shire Council	RAV	12 989	4 987	1 364	2 723 328	1 543 214	4 266 542	209.66		1 131.39	
Gwydir Shire Council	RAL	5 030	9 262	1 752	2 456 138	1 802 540	4 258 678	488.30		1 028.85	
Hawkesbury City Council	UFM	66 782	2 775	907	2 719 902	1 666 161	4 386 063	40.73		1 837.00	
Hay Shire Council	RAM	2 956	11 326	777	1 838 918	777 284	2 616 202	622.10		1 000.37	
Hilltops Council	RAV	18 993	7 139	2 443	4 935 616	2 709 213	7 644 829	259.87		1 108.97	
Hornsby Shire Council	UFV	151 237	455	624	3 083 760	1 437 680	4 521 440	20.39	#	2 303.97	
Hunter's Hill Council	UDS	14 843	6	61	302 653	143 678	446 331	20.39	#	2 355.38	
Inner West Council	UDV	189 576	35	424	4 019 192	1 303 929	5 323 121	21.20		3 075.30	
Inverell Shire Council	RAV	17 042	8 595	1 742	3 627 547	1 983 678	5 611 225	212.86		1 138.74	
Juneee Shire Council	RAL	6 329	2 030	827	1 789 441	889 834	2 679 275	282.74		1 075.98	
Kempsey Shire Council	URS	29 842	3 376	1 060	3 954 090	1 778 414	5 732 504	132.50		1 677.75	
Kiama Municipal Council	URS	21 671	258	231	1 098 341	490 871	1 589 212	50.68		2 124.98	

Distribution to councils in New South Wales for 2017–18 (continued)

New South Wales		2017–18 actual entitlement									
		Classification	Population ^a Number	Council area sq km	Road length km	General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Ku-Ring-Gai Council	UDV	124 179	85	439	2 532 041	1 087 414	3 619 455	20.39	#	2 477.03	
Kyogle Council	RAL	9 542	3 584	1 085	2 534 012	1 587 409	4 121 421	265.56		1 463.05	
Lachlan Council	RAL	6 749	14 965	3 339	5 462 021	3 260 959	8 722 980	809.31		976.63	
Lake Macquarie City Council	URV	205 748	648	1 284	13 239 069	2 678 118	15 917 187	64.35		2 085.76	
Lane Cove Municipal Council	UDM	36 996	11	93	754 358	271 737	1 026 095	20.39	#	2 921.90	
Leeton Shire Council	RAV	11 712	1 167	873	3 004 629	1 007 772	4 012 401	256.54		1 154.38	
Lismore City Council	URM	44 993	1 288	1 082	4 276 781	1 892 895	6 169 676	95.05		1 749.44	
Liverpool City Council	UDV	210 113	305	857	6 556 946	2 158 058	8 715 004	31.21		2 518.15	
Liverpool Plains Shire Council	RAL	7 738	5 082	1 195	2 191 122	1 322 369	3 513 491	283.16		1 106.58	
Lockhart Shire Council	RAM	3 103	2 896	1 217	2 017 969	1 291 740	3 309 709	650.33		1 061.41	
Lord Howe Island Board	RTX	401	0	0	209 385	0	209 385	522.16		0	
Maitland City Council	URL	78 096	392	664	5 527 474	1 307 191	6 834 665	70.78		1 968.66	
Mid-Coast Council	URL	91 648	10 053	3 240	12 194 896	5 171 381	17 366 277	133.06		1 596.11	
Mid-Western Regional Council	URS	24 313	8 753	1 923	3 772 370	2 321 652	6 094 022	155.16		1 207.31	
Moree Plains Shire Council	RAV	13 866	17 906	2 637	4 502 226	2 781 023	7 283 249	324.70		1 054.62	
Mosman Municipal Council	UDM	30 646	9	86	624 880	233 430	858 310	20.39	#	2 714.30	
Murray River Council	RAV	11 596	11 865	2 586	5 068 858	2 840 101	7 908 959	437.12		1 098.26	
Murrumbidgee Council	RAM	4 071	6 880	1 557	2 575 266	1 542 515	4 117 781	632.59		990.70	
Muswellbrook Shire Council	RAV	17 414	3 405	574	2 418 765	898 589	3 317 354	138.90		1 565.49	
Nambucca Shire Council	RAV	19 808	1 491	671	2 574 963	1 172 180	3 747 143	130.00		1 746.92	
Narrabri Shire Council	RAV	13 717	13 014	2 130	4 591 219	2 259 813	6 851 032	334.71		1 060.95	
Narrandera Shire Council	RAL	5 912	4 116	1 479	2 972 257	1 523 800	4 496 057	502.75		1 030.29	

Distribution to councils in New South Wales for 2017-18 (continued)

New South Wales		2017-18 actual entitlement									
		Classification	Population ^a Number	Council area sq km	Road length km	General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Narramine Shire Council	RAL	6 796	5 260	1 369	2 689 481	1 394 127	4 083 608	395.74		1 018.35	
Newcastle City Council	URV	162 766	187	770	10 511 855	1 775 700	12 287 555	64.58		2 306.10	
North Sydney Council	UDL	73 514	11	143	1 498 970	472 846	1 971 816	20.39	#	3 306.62	
Northern Beaches Council	UDV	268 849	254	815	5 481 898	2 187 146	7 669 044	20.39	#	2 683.61	
Oberon Council	RAL	5 350	3 627	851	1 618 316	907 193	2 525 509	302.49		1 066.03	
Orange City Council	URM	42 356	284	443	3 308 280	1 108 298	4 416 578	78.11		2 501.80	
Parkes Shire Council	RAV	15 328	5 955	1 883	3 912 634	2 008 948	5 921 582	255.26		1 066.89	
Penrith City Council	UFV	202 076	405	1 022	8 563 182	2 325 840	10 889 022	42.38		2 275.77	
Port Macquarie Hastings Council	URL	78 967	3 683	1 234	6 229 889	2 742 101	8 971 990	78.89		2 222.12	
Port Stephens Council	URL	71 406	859	649	5 319 330	1 190 385	6 509 715	74.49		1 834.18	
Queanbeyan-Palerang Regional Council	URM	57 334	5 319	1 391	3 564 731	2 307 341	5 872 072	62.17		1 658.76	
Randwick City Council	UDV	147 408	36	277	3 005 687	937 491	3 943 178	20.39	#	3 384.44	
Richmond Valley Council	URS	23 426	3 047	1 004	3 261 187	1 536 445	4 797 632	139.21		1 530.32	
Shoalhaven City Council	URL	101 462	4 567	1 578	8 758 111	3 240 750	11 998 861	86.32		2 053.71	
Silverton Village Committee Incorporated	RTX	57	0	0	32 443	0	32 443	569.18		0	
Singleton Council	URS	24 061	4 893	780	2 275 736	1 251 275	3 527 011	94.58		1 604.20	
Snowy Monaro Regional Council	URS	20 880	15 162	2 312	6 518 575	2 668 732	9 187 307	312.19		1 154.30	
Snowy Valleys Council	RAV	15 013	8 959	1 019	4 050 145	1 339 244	5 389 389	269.78		1 314.27	
Strathfield Municipal Council	UDM	40 963	14	86	835 247	277 276	1 112 523	20.39	#	3 224.14	
Sutherland Shire Council	UDV	227 312	334	798	4 634 948	1 978 669	6 613 617	20.39	#	2 479.54	
Tamworth Regional Council	URM	61 800	9 884	2 932	6 106 198	4 057 324	10 163 522	98.81		1 383.81	

Distribution to councils in New South Wales for 2017–18 (continued)

New South Wales		2017–18 actual entitlement									
		Classification	Population ^a Number	Council area sq km	Road length km	General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Temora Shire Council	RAL	6 088	2 802	1 143	2 063 284	1 172 424	3 235 708	338.91		1 025.74	
Tenterfield Shire Council	RAL	7 038	7 322	1 449	2 856 495	1 602 551	4 459 046	405.87		1 105.97	
The Council of Camden	UFL	77 504	201	598	2 446 824	1 271 803	3 718 627	31.57		2 126.76	
The Council of the City of Sydney	UCC	210 931	27	301	4 300 936	1 258 164	5 559 100	20.39	#	4 179.95	
The Hills Shire Council	UFV	164 802	386	908	3 360 354	1 910 217	5 270 571	20.39	#	2 103.76	
Tibooburra Village Committee Incorporated	RTX	128	0	0	72 854	0	72 854	569.17		0	
Tweed Shire Council	URL	94 011	1 307	1 104	7 623 301	2 764 994	10 388 295	81.09		2 504.52	
Upper Hunter Shire Council	RAV	14 522	8 096	1 581	2 817 075	1 883 888	4 700 963	193.99		1 191.58	
Upper Lachlan Shire Council	RAL	7 794	7 128	1 734	2 575 566	1 841 131	4 416 697	330.45		1 061.78	
Uralla Shire Council	RAL	6 376	3 227	818	1 477 002	936 473	2 413 475	231.65		1 144.83	
Wagga Wagga City Council	URM	64 272	4 826	2 109	6 900 707	3 132 211	10 032 918	107.37		1 485.16	
Walcha Council	RAM	3 054	6 261	820	1 205 356	900 221	2 105 577	394.68		1 097.83	
Walgett Shire Council	RAL	6 750	22 309	1 814	4 091 070	1 896 582	5 987 652	606.08		1 045.52	
Warren Shire Council	RAM	2 901	10 754	964	1 583 291	1 003 565	2 586 856	545.77		1 041.04	
Warrumbungle Shire Council	RAL	9 688	12 371	2 276	4 345 136	2 379 304	6 724 440	448.51		1 045.39	
Waverley Council	UDL	73 366	9	113	1 495 952	431 005	1 926 957	20.39	#	3 814.20	
Weddin Shire Council	RAM	3 708	3 409	957	1 518 222	971 455	2 489 677	409.44		1 015.10	
Wentworth Shire Council	RAL	6 982	26 257	1 944	3 999 017	1 982 815	5 951 832	574.41		1 004.53	
Willoughby City Council	UDL	77 833	22	200	1 587 035	573 575	2 160 610	20.39	#	2 867.88	
Wingecarribee Shire Council	URM	48 845	2 688	1 051	3 119 924	1 796 498	4 916 422	63.87		1 709.32	
Wollondilly Shire Council	UFM	49 109	2 556	738	2 356 082	1 329 977	3 686 059	47.98		1 802.14	

Distribution to councils in New South Wales for 2017-18 (continued)

New South Wales		2017-18 actual entitlement									
		Classification	Population ^a Number	Council area sq km	Road length km	General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Wollongong City Council	URV	211 213	684	953	15 893 203	2 359 689	18 252 892	75.25		2 476.06	
Yass Valley Council	RAV	16 870	3 998	1 060	1 565 048	1 307 724	2 872 772	92.77		1 233.70	

Notes to Table 41:

a population estimates provided by the Local Government Grants Commission in each State and the Northern Territory.

* Indigenous local governing body

minimum grant

Table 42 Distribution to councils in Victoria for 2017–18

Council name	Classification	Population ^a Number	Council area sq km	Road length km	2017–18 actual entitlement					
					General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Alpine Shire	RAV	12 812	4 788	793	2 499 333	1 055 022	3 554 355	195.08		1 330.42
Ararat Rural City Council	RAV	11 707	4 211	2 360	3 310 878	2 167 287	5 478 165	282.81		918.34
Ballarat City Council	URL	103 407	739	1 396	10 501 495	2 252 585	12 754 080	101.55		1 613.60
Banyule City Council	UDV	127 693	63	547	2 926 190	924 099	3 850 289	22.92		1 689.39
Bass Coast Shire Council	URM	33 317	865	932	4 626 665	1 390 951	6 017 616	138.87		1 492.44
Baw Shire Council	URM	49 138	4 031	1 988	6 214 713	2 746 594	8 961 307	126.47		1 381.59
Bayside City Council	UDL	102 737	37	355	2 105 468	551 975	2 657 443	20.55	#	1 554.86
Benalla Rural City Council	RAV	13 962	2 353	1 348	2 489 836	1 470 631	3 960 467	178.33		1 090.97
Borough of Queenscliffe	UFS	2 904	9	43	211 486	55 783	267 269	72.83		1 297.28
Brimbank City Council	UDV	205 741	123	894	12 500 834	1 670 194	14 171 028	60.76		1 868.23
Buloke Shire Council	RAL	6 230	8 000	5 313	3 478 803	2 376 961	5 855 764	558.40		447.39
Campaspe Shire Council	URM	37 429	4 519	4 040	7 137 542	3 914 769	11 052 311	190.70		969.00
Cardinia Shire Council	UFL	97 625	1 282	1 502	8 182 840	2 480 137	10 662 977	83.82		1 651.22
Casey City Council	UDV	313 521	409	1 604	16 562 846	2 388 985	18 951 831	52.83		1 489.39
Central Goldfields Shire Council	RAV	13 012	1 533	1 320	2 590 132	1 167 549	3 757 681	199.06		884.51
City of Boroondara	UDV	177 361	60	562	3 616 799	885 559	4 502 358	20.55	#	1 575.73
City of Darebin	UDV	155 022	54	514	3 278 032	868 012	4 146 044	21.15		1 688.74
City of Glen Eira	UDV	149 012	39	433	3 046 116	630 383	3 676 499	20.55	#	1 455.85
City of Greater Dandenong	UDV	160 952	130	687	9 750 753	1 455 519	11 206 272	60.58		2 118.66
City of Greater Geelong	URV	238 603	1 248	2 141	16 925 641	3 243 359	20 169 000	70.94		1 514.88
City of Knox	UDV	160 665	114	721	6 156 053	1 081 339	7 237 392	38.32		1 499.78
City of Maribymong	UDL	87 355	31	305	2 270 340	531 128	2 801 468	25.99		1 741.40
City of Port Phillip	UDL	108 558	21	214	2 219 867	411 762	2 631 629	20.55	#	1 924.12

Distribution to councils in Victoria for 2017-18 (continued)

Council name	Classification	Population ^a Number	Council area sq km	Road length km	2017-18 actual entitlement					
					General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
City of Whittlesea	UFV	207 881	490	1 277	12 392 515	2 111 488	14 504 003	59.61		1 653.48
Colac Otway Shire	URS	21 359	3 438	1 623	3 573 500	2 515 228	6 088 728	167.31		1 549.74
Corangamite Shire Council	RAV	16 133	4 408	2 370	3 974 479	3 367 010	7 341 489	246.36		1 420.68
East Gippsland Shire Council	URM	45 426	20 940	2 953	9 890 895	4 423 457	14 314 352	217.74		1 497.95
Frankston City Council	UDV	139 511	130	704	7 393 508	1 099 501	8 493 009	53.00		1 561.79
Gannawarra Shire Council	RAV	10 563	3 735	2 272	3 255 801	1 950 263	5 206 064	308.23		858.39
Glenside Shire Council	RAV	19 726	6 218	2 631	4 239 353	3 354 617	7 593 970	214.91		1 275.03
Golden Plains Shire Council	URS	21 929	2 703	1 854	3 412 974	1 977 603	5 390 577	155.64		1 066.67
Greater Bendigo City Council	URL	111 783	3 000	3 108	12 451 200	3 326 585	15 777 785	111.39		1 070.33
Greater Shepparton City Council	URM	65 076	2 422	2 522	8 880 766	3 012 013	11 892 779	136.47		1 194.30
Hepburn Shire Council	RAV	15 560	1 473	1 409	3 011 955	1 436 098	4 448 053	193.57		1 019.23
Hindmarsh Shire Council	RAL	5 741	7 524	3 177	2 651 071	1 571 342	4 222 413	461.78		494.60
Hobsons Bay City Council	UDL	93 992	64	425	1 945 105	714 024	2 659 129	20.55	#	1 680.06
Horsham Rural City Council	RAV	19 817	4 267	2 975	3 865 229	2 119 732	5 984 961	195.05		712.51
Hume City Council	UFV	207 830	504	1 228	12 222 341	2 259 051	14 481 392	58.81		1 839.62
Indigo Shire Council	RAV	16 035	2 040	1 568	2 824 241	1 594 802	4 419 043	176.13		1 017.09
Kingston City Council	UDV	159 023	91	596	3 207 951	1 230 002	4 437 953	20.55	#	2 063.76
Latrobe City Council	URL	74 329	1 426	1 577	9 283 957	2 493 668	11 777 625	124.90		1 581.27
Loddon Shire Council	RAL	7 555	6 696	4 722	4 665 617	3 534 402	8 200 019	617.55		748.50
Macedon Ranges Shire Council	URM	47 512	1 748	1 671	4 853 455	2 062 045	6 915 500	102.15		1 234.02
Manningham City Council	UDL	122 902	113	598	2 470 439	796 512	3 266 951	20.55	#	1 331.96
Mansfield Shire Council	RAL	8 871	3 844	807	1 878 376	871 639	2 750 015	211.74		1 080.10

Distribution to councils in Victoria for 2017–18 (continued)

Council name	Classification	Population ^a	Council area sq km	Road length km	2017–18 actual entitlement					
					General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Maroondah City Council	UDL	114 979	61	484	4 182 519	760 425	4 942 944	36.38		1 571.13
Melbourne City Council (City of Melbourne)	UCC	148 039	37	215	2 790 100	694 025	3 484 125	20.55	#	3 228.02
Melton City Council	UFV	141 749	528	1 058	12 743 244	1 824 546	14 567 790	89.90		1 724.52
Mildura Rural City Council	URM	54 564	22 083	5 213	10 416 552	3 997 118	14 413 670	190.91		766.76
Mitchell Shire Council	URM	41 632	2 862	1 474	5 172 829	1 724 287	6 897 116	124.25		1 169.80
Moira Shire Council	URS	29 306	4 047	3 656	6 482 209	3 759 269	10 241 478	221.19		1 028.25
Monash City Council	UDV	192 850	82	736	3 893 116	1 152 923	5 046 039	20.55	#	1 566.47
Moonee Valley City Council	UDL	122 968	43	418	2 490 637	676 142	3 166 779	20.55	#	1 617.56
Moorabool Shire Council	URM	32 658	2 111	1 515	4 253 084	1 799 807	6 052 891	130.23		1 187.99
Moreland City Council	UDV	172 091	51	520	4 390 211	916 612	5 306 823	25.51		1 762.72
Mornington Peninsula Shire Council	UFV	160 862	724	1 699	3 385 645	2 386 824	5 772 469	21.05		1 404.84
Mount Alexander Shire Council	RAV	18 966	1 530	1 428	3 036 032	1 604 489	4 640 521	160.08		1 123.59
Murrindindi Shire Council	RAV	13 993	3 879	1 202	2 851 166	1 608 402	4 459 568	203.76		1 338.10
Nilumbik Shire Council	UFM	64 280	432	778	1 925 649	1 122 292	3 047 941	29.96		1 442.53
Northern Grampians Shire Council	RAV	11 577	5 728	3 419	4 200 799	2 721 256	6 922 055	362.86		795.92
Pyrenees Shire Council	RAL	7 301	3 435	2 028	3 084 110	2 059 645	5 143 755	422.42		1 015.60
Shire of Moyne	RAV	16 693	5 482	2 748	4 007 434	3 983 672	7 991 106	240.07		1 449.66
Shire of Strathbogie	RAL	10 329	3 303	2 243	2 913 371	2 122 197	5 035 568	282.06		946.14
Shire of Towong	RAL	5 973	6 675	1 183	2 492 752	1 697 040	4 189 792	417.34		1 434.52
South Gippsland Shire Council	URS	28 936	3 297	2 093	5 557 465	3 566 348	9 123 813	192.06		1 703.94

Distribution to councils in Victoria for 2017-18 (continued)

Victoria		2017-18 actual entitlement									
		Population ^a	Council area	Road length	General purpose	Local road	Total	General purpose	Min	Local road	
Council name	Classification	Number	sq km	km	\$	\$	\$	\$ per capita	#	\$ per km	
Southern Grampians Shire Council	RAV	16 066	6 655	2 761	4 007 756	2 928 844	6 936 600	249.46		1 060.79	
Stonnington City Council	UDL	111 606	26	260	2 262 781	437 905	2 700 686	20.55	#	1 684.25	
Surf Coast Shire	UFS	30 445	1 553	1 117	2 492 631	1 585 169	4 077 800	81.87		1 419.13	
Swan Hill Rural City Council	URS	20 904	6 115	3 492	4 306 183	2 087 363	6 393 546	206.00		597.76	
Wangaratta Rural City Council	URS	28 559	3 645	1 949	4 415 272	2 317 062	6 732 334	154.60		1 188.85	
Warrnambool City Council	URM	34 245	121	331	2 910 977	627 371	3 538 348	85.00		1 895.38	
Wellington Shire Council	URM	43 465	10 817	3 026	7 965 557	4 504 942	12 470 499	183.26		1 488.74	
West Wimmera Shire Council	RAM	3 912	9 108	2 809	2 845 014	2 235 120	5 080 134	727.25		795.70	
Whitehorse City Council	UDV	170 093	64	605	3 436 729	976 330	4 413 059	20.55	#	1 613.77	
Wodonga City Council	URM	39 844	433	500	4 204 638	872 612	5 077 250	105.53		1 745.22	
Wyndham City Council	UFV	228 088	542	1 374	14 263 729	2 123 842	16 387 571	62.54		1 545.74	
Yarra City Council	UDL	93 380	20	215	1 868 443	388 719	2 257 162	20.55	#	1 808.00	
Yarra Ranges Shire Council	UFV	155 312	2 466	1 747	10 786 356	3 268 170	14 054 526	69.45		1 870.73	
Yarriambiack Shire Council	RAL	6 738	7 326	4 809	3 064 887	1 938 881	5 003 768	454.87		403.18	

Notes to Table 42:

a population estimates provided by the Local Government Grants Commission in each State and the Northern Territory.

* Indigenous local governing body

minimum grant

Table 43 Distribution to councils in Queensland for 2017–18

Queensland		2017–18 actual entitlement									
		Classification	Population ^a Number	Council area sq km	Road length km	General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Aurukun Shire Council*	RTM	1 451	7 424	85	1 918 065	63 975	1 982 040	1 321.89		752.65	
Balonne Shire Council	RAM	4 726	31 104	2 605	3 739 077	1 544 709	5 283 786	791.17		592.98	
Banana Shire Council	RAV	15 188	28 550	3 988	5 118 514	2 448 034	7 566 548	337.01		613.85	
Barcaldine Regional Council	RTL	3 234	53 383	2 986	5 372 210	1 747 785	7 119 995	1 661.17		585.33	
Barcoo Shire Council	RTX	347	61 830	1 666	2 768 214	959 901	3 728 115	7 977.56		576.17	
Blackall-Tambo Regional Council	RTM	2 176	30 537	1 867	2 886 649	1 094 313	3 980 962	1 326.59		586.19	
Boulia Shire Council	RTS	477	60 906	1 329	2 241 678	767 828	3 009 506	4 699.53		577.75	
Brisbane City Council	UCC	1 180 285	1 343	5 679	24 050 844	15 612 428	39 663 272	20.38	#	2 749.15	
Bulloo Shire Council	RTS	387	73 724	1 990	5 246 324	1 146 294	6 392 618	13 556.39		576.03	
Bundaberg Regional Council	URL	94 640	6 433	3 039	5 340 933	2 734 852	8 075 785	56.43		899.92	
Burdekin Shire Council	RAV	17 651	5 044	1 146	2 764 483	842 528	3 607 011	156.62		735.19	
Burke Shire Council	RTS	565	39 684	713	2 585 844	415 170	3 001 014	4 576.72		582.29	
Cairns Regional Council	URV	161 932	1 689	1 326	3 299 713	2 455 875	5 755 588	20.38	#	1 852.09	
Carpentaria Shire Council	RTM	2 286	64 121	1 638	3 709 603	964 123	4 673 726	1 622.75		588.60	
Cassowary Coast Regional Council	URS	28 721	4 688	1 212	2 480 149	996 269	3 476 418	86.35		822.00	
Central Highlands Regional Council	URM	31 083	59 835	4 589	6 054 322	2 959 360	9 013 682	194.78		644.88	
Charters Towers Regional Council	RAV	12 332	68 382	3 247	3 940 519	1 992 817	5 933 336	319.54		613.74	
Cherbourg Aboriginal Shire Council*	RTM	1 277	32	70	565 714	53 544	619 258	443.00		764.91	
Cloncurry Shire Council	RAM	3 340	47 971	1 571	4 537 235	936 697	5 473 932	1 358.45		596.24	

Distribution to councils in Queensland for 2017-18 (continued)

Queensland		2017-18 actual entitlement									
		Classification	Population ^a Number	Council area sq km	Road length km	General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Cook Shire Council	RAM	4 501	105 724	2 927	7 939 409	1 727 181	9 666 590	1 763.92		590.09	
Croydon Shire Council	RTX	331	29 498	1 088	3 068 565	627 967	3 696 532	9 270.59		577.18	
Diamantina Shire Council	RTX	280	94 731	1 061	2 486 575	611 936	3 098 511	8 880.63		576.75	
Doomadgee Aboriginal Community Council*	RTM	1 415	1 828	113	1 276 792	79 671	1 356 463	902.33		705.05	
Douglas Shire Council	RAV	11 844	2 428	372	1 016 897	337 483	1 354 380	85.86		907.21	
Etheridge Shire Council	RTS	942	39 199	1 757	4 002 307	1 018 362	5 020 669	4 248.73		579.60	
Flinders Shire Council	RTM	1 767	41 200	1 992	5 230 032	1 161 885	6 391 917	2 959.84		583.28	
Fraser Coast Regional Council	URL	102 671	7 103	2 609	4 424 900	2 572 087	6 996 987	43.10		985.85	
Gladstone Regional Council	URM	67 426	10 484	2 642	5 089 686	2 222 159	7 311 845	75.49		841.09	
Gold Coast City Council	URV	567 644	1 334	3 239	11 566 967	7 800 057	19 367 024	20.38	#	2 408.17	
Goondiwindi Regional Council	RAV	11 038	19 258	2 484	4 442 209	1 541 318	5 983 527	402.45		620.50	
Gympie Regional Council	URM	49 259	6 884	2 283	3 367 497	1 825 963	5 193 460	68.36		799.81	
Hinchinbrook Shire Council	RAV	11 176	2 807	693	1 469 262	514 743	1 984 005	131.47		742.77	
Hope Vale Aboriginal Shire Council*	RTM	1 161	1 107	132	997 623	87 918	1 085 541	859.28		666.05	
Ipswich City Council	URV	198 590	1 085	1 749	4 046 698	3 082 332	7 129 030	20.38	#	1 762.34	
Isaac Regional Council	URS	23 973	58 708	3 254	2 967 090	2 118 669	5 085 759	123.77		651.10	
Kowanyama Aboriginal Shire Council*	RTM	1 166	2 555	352	1 473 464	214 512	1 687 976	1 263.69		608.61	
Livingstone Shire Council	UFM	37 455	11 758	1 428	2 485 432	1 211 660	3 697 092	66.36		848.50	
Lockhart River Aboriginal Shire Council*	RTS	563	3 575	172	1 575 932	104 619	1 680 551	2 799.17		608.25	

Distribution to councils in Queensland for 2017–18 (continued)

Queensland		2017–18 actual entitlement									
		Classification	Population ^a Number	Council area sq km	Road length km	General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Lockyer Valley Regional Council	URM	39 395	2 269	1 429	2 988 276	1 232 538	4 220 814	75.85		862.52	
Logan City Council	URV	313 646	958	2 384	6 391 211	4 650 980	11 042 191	20.38	#	1 950.91	
Longreach Regional Council	RTL	4 075	40 572	2 748	5 545 447	1 619 978	7 165 425	1 360.85		589.51	
Mackay Regional Council	URV	123 540	7 613	2 480	3 449 499	2 716 456	6 165 955	27.92		1 095.35	
Mapoon Aboriginal Council*	RTX	302	537	57	1 107 975	35 878	1 143 853	3 668.79		629.44	
Maranoa Regional Council	RAV	13 629	58 704	5 826	13 364 856	3 486 716	16 851 572	980.62		598.48	
Mareeba Shire Council	URS	22 029	53 502	2 308	5 463 119	1 555 326	7 018 445	248.00		673.88	
Mackinlay Shire Council	RTM	1 047	40 737	1 633	4 370 372	948 286	5 318 658	4 174.19		580.70	
Moreton Bay Regional Council	URV	434 751	2 042	3 636	8 858 986	6 637 089	15 496 075	20.38	#	1 825.38	
Morrington Shire Council*	RTM	1 237	1 248	158	2 165 336	103 637	2 268 973	1 750.47		655.93	
Mount Isa City Council	URS	21 998	43 713	2 033	4 552 105	1 397 154	5 949 259	206.93		687.24	
Murweh Shire Council	RTL	4 508	40 700	2 782	5 106 759	1 644 025	6 750 784	1 132.82		590.95	
Napranum Aboriginal Shire Council*	RTS	987	2 004	173	1 078 287	109 631	1 187 918	1 092.49		633.71	
Noosa Shire Council	URM	54 022	870	870	1 100 814	1 064 761	2 165 575	20.38	#	1 223.86	
North Burnett Regional Council	RAV	10 245	19 670	4 162	8 972 955	2 496 177	11 469 132	875.84		599.75	
Northern Peninsula Area Regional Council	RTM	2 791	1 052	363	3 879 110	237 569	4 116 679	1 389.86		654.46	
Palm Island Aboriginal Council	RTM	2 731	72	42	1 207 346	52 690	1 260 036	442.09		1 254.52	
Paroo Shire Council	RTM	1 801	47 613	2 259	3 898 279	1 315 496	5 213 775	2 164.51		582.34	
Pormpuraaw Aboriginal Shire Council*	RTS	758	4 395	566	1 360 302	332 899	1 693 201	1 794.59		588.00	

Distribution to councils in Queensland for 2017-18 (continued)

Queensland			2017-18 actual entitlement							
Council name	Classification	Population ^a	Council area sq km	Road length km	General purpose	Local road	Total	General purpose	Min	Local road
					\$	\$	\$	\$ per capita	#	\$ per km
Quilpie Shire Council	RTS	924	67 415	2 082	3 717 055	1 204 722	4 921 777	4 022.79		578.64
Redland City Council	URV	152 080	537	1 102	3 098 957	2 224 191	5 323 148	20.38	#	2 018.32
Richmond Shire Council	RTS	821	26 581	1 296	2 945 182	752 486	3 697 668	3 587.31		580.62
Rockhampton Regional Council	URL	83 309	6 570	1 998	5 645 780	2 018 739	7 664 519	67.77		1 010.38
Scenic Rim Regional Council	UFM	40 280	4 252	1 781	1 566 246	1 443 846	3 010 092	38.88		810.69
Somerset Regional Council	UFS	24 300	5 373	1 882	2 033 110	1 334 574	3 367 684	83.67		709.13
South Burnett Regional Council	URM	32 589	8 382	3 277	4 516 709	2 222 044	6 738 753	138.60		678.07
Southern Downs Regional Council	URM	35 854	7 108	3 062	4 547 778	2 132 807	6 680 585	126.84		696.54
Sunshine Coast Regional Council	URV	292 990	2 254	2 971	5 970 301	4 771 729	10 742 030	20.38	#	1 606.10
Tablelands Regional Council	URS	25 054	11 282	1 845	4 525 940	1 321 228	5 847 168	180.65		716.11
Toowoomba Regional Council	URV	164 469	12 957	6 611	8 142 096	5 515 973	13 658 069	49.51		834.36
Torres Shire Council	RTL	3 687	884	299	3 109 341	210 212	3 319 553	843.33		703.05
Torres Strait Island Regional Council*	RTL	4 652	490	369	10 501 512	260 490	10 762 002	2 257.42		705.93
Townsville City Council	URV	195 914	3 731	1 736	3 992 169	3 046 863	7 039 032	20.38	#	1 755.11
Western Downs Regional Council	URM	33 951	37 938	7 526	12 468 205	4 675 190	17 143 395	367.24		621.21
Whitsunday Regional Council	URM	34 270	23 819	1 842	3 596 604	1 415 959	5 012 563	104.95		768.71
Winton Shire Council	RTM	1 322	53 814	2 466	4 045 517	1 429 299	5 474 816	3 060.15		579.60

Distribution to councils in Queensland for 2017–18 (continued)

Queensland		2017–18 actual entitlement									
		Classification	Population ^a Number	Council area sq km	Road length km	General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Woorabinda Aboriginal Council*	RTM	1 010	391	56	513 252	42 869	556 121	508.17		761.84	
Wujal Aboriginal Council*	RTX	304	12	18	470 466	13 513	483 979	1 547.59		750.72	
Yarrabah Aboriginal Shire Council*	RTM	2 689	159	56	886 465	60 454	946 919	329.66		1 073.94	

Notes to Table 43:

a population estimates provided by the Local Government Grants Commission in each State and the Northern Territory.

* Indigenous local governing body

minimum grant

Table 44 Distribution to councils in Western Australia for 2017-18

Western Australia		2017-18 actual entitlement										Special Works included in per km
		Classification	Populationa	Council area	Road length	General purpose	Local road	Total	General purpose	Min	Local road	
Council name		Number	sq km	km	\$	\$	\$	\$	#	#	\$ per km	SW
City of Albany	URM	37 399	4 315	1 599	2 168 486	1 776 884	3 945 370	57.98			1 111.33	
City of Armadale	UFL	83 488	560	734	1 690 114	1 353 197	3 043 311	20.18	#	#	1 844.14	
City of Bayswater	UDL	72 085	33	348	1 458 012	772 506	2 230 518	20.18	#	#	2 217.64	
City of Belmont	UDM	41 743	40	229	844 306	527 645	1 371 951	20.18	#	#	2 309.09	
City of Bunbury	URM	34 494	61	321	697 686	853 551	1 551 237	20.18	#	#	2 659.95	
City of Busseton	URM	37 115	1 454	1 100	750 699	1 478 759	2 229 458	20.18	#	#	1 343.73	SW
City of Canning	UDL	98 367	65	578	1 989 599	1 465 140	3 454 739	20.18	#	#	2 533.98	SW
City of Cockburn	UDL	109 381	148	838	2 212 372	1 587 684	3 800 056	20.18	#	#	1 895.20	
City of Fremantle	UDM	31 114	19	177	629 321	394 486	1 023 807	20.18	#	#	2 231.26	
City of Gosnells	UDV	125 792	127	778	2 544 306	1 657 554	4 201 860	20.18	#	#	2 130.38	SW
City of Greater Geraldton	URM	41 167	9 929	2 078	3 876 953	1 978 796	5 855 749	94.18			952.14	
City of Joondalup	UDV	167 160	99	1 019	3 381 027	2 150 985	5 532 012	20.18	#	#	2 110.69	
City of Kalgoorlie-Boulder	URM	32 638	95 229	1 370	800 528	1 671 386	2 471 914	24.53			1 219.89	SW
City of Karratha	URS	26 211	15 196	599	1 281 589	872 945	2 154 534	48.90			1 457.24	
City of Kwinana	UFM	38 790	118	407	784 577	731 208	1 515 785	20.18	#	#	1 795.04	
City of Mandurah	UFL	85 280	174	703	1 724 898	1 543 964	3 268 862	20.18	#	#	2 194.86	SW
City of Meville	UDL	106 294	53	525	2 149 934	1 081 583	3 231 517	20.18	#	#	2 058.33	
City of Nedlands	UDS	23 086	21	149	466 944	286 177	753 121	20.18	#	#	1 923.52	
City of Perth	UCC	24 405	9	110	494 695	444 252	938 947	20.27			4 055.61	
City of Rockingham	UFV	132 165	261	1 052	2 673 208	1 935 631	4 608 839	20.18	#	#	1 840.14	
City of South Perth	UDM	46 361	20	192	937 711	404 664	1 342 375	20.18	#	#	2 112.14	
City of Stirling	UDV	228 036	100	1 035	4 612 322	2 139 782	6 752 104	20.18	#	#	2 066.64	

Distribution to councils in Western Australia for 2017–18 (continued)

Western Australia		2017–18 actual entitlement										Special Works included in per km	
		Classification	Populationa	Council area	Road length	General purpose	Local road	Total	General purpose	Min	Local road		
Council name		Number	sq km	km	\$	\$	\$	\$	#	\$ per km	\$	\$ per km	SW
City of Subiaco	UDS	17 788	7	96	358 713	187 761	546 474	20.18	#	1 961.36			
City of Swan	UFV	136 660	1 043	1 494	2 764 125	2 857 813	5 621 938	20.18	#	1 913.48			SW
City of Vincent	UDM	37 856	11	146	765 687	358 663	1 124 350	20.18	#	2 452.56			
City of Wanneroo	UFV	195 697	688	1 514	3 958 224	2 875 995	6 834 219	20.18	#	1 899.71			
Shire of Ashburton	RTL	10 803	105 647	1 815	3 147 302	1 178 220	4 325 522	291.34		649.34			SW
Shire of Augusta Margaret River	RSG	14 114	2 370	907	285 473	1 084 957	1 370 430	20.18	#	1 196.22			SW
Shire of Beverley	RAS	1 570	2 310	697	834 862	558 211	1 393 073	531.76		801.23			SW
Shire of Boddington	RAM	2 519	1 900	265	127 170	393 357	520 527	50.48		1 481.96			SW
Shire of Boyup Brook	RAS	1 652	2 838	1 020	559 929	644 125	1 204 054	338.94		631.43			
Shire of Bridgetown Greenbushes	RAM	4 618	1 691	683	1 227 913	934 357	2 162 270	265.90		1 367.52			SW
Shire of Brookton	RAS	1 002	1 626	532	630 460	334 827	965 287	629.20		629.03			
Shire of Broome	RTL	17 342	56 000	573	1 942 516	903 112	2 845 628	112.01		1 576.30			SW
Shire of Broomehill-Tambellup	RAS	1 116	2 810	971	1 190 722	1 220 512	2 411 234	1 066.96		1 256.58			SW
Shire of Bruce Rock	RAS	925	2 772	1 173	1 578 226	751 246	2 329 472	1 706.19		640.45			
Shire of Capel	URS	17 502	554	497	1 057 686	595 356	1 653 042	60.43		1 198.99			
Shire of Carnamah	RAS	527	2 835	643	876 994	473 602	1 350 596	1 664.13		736.11			SW
Shire of Carnarvon	RAL	6 056	53 000	1 515	3 757 099	1 238 518	4 995 617	620.39		817.50			
Shire of Chapman Valley	RAS	1 232	4 007	863	363 395	502 857	866 252	294.96		582.39			
Shire of Chittering	RSG	5 311	1 220	434	769 014	440 019	1 209 033	144.80		1 014.07			
Shire of Collie	RAL	9 550	1 685	383	1 211 831	574 053	1 785 884	126.89		1 497.61			SW

Distribution to councils in Western Australia for 2017-18 (continued)

2017-18 actual entitlement												
Western Australia												
Council name	Classification	Population		Council area sq km	Road length km	General purpose \$	Local road		General purpose \$ per capita	Min #	Local road \$ per km	Special Works included in per km SW
		Number					\$					
Shire of Coogardie	RTL	3 950		30 400	847	539 298	502 051	1 041 349	136.53		592.49	
Shire of Coorow	RAS	1 035		4 137	855	874 914	538 309	1 413 223	845.33		629.27	
Shire of Corrigin	RAS	1 093		3 095	1 061	1 108 358	667 836	1 776 194	1 014.05		629.19	
Shire of Cranbrook	RAS	1 053		3 390	1 015	715 262	620 734	1 335 996	679.26		611.78	
Shire of Cuballing	RAS	882		1 250	555	574 775	322 153	896 928	651.67		580.11	
Shire of Cue	RTX	257		13 716	740	1 349 215	422 253	1 771 468	5 249.86		570.24	
Shire of Cunderdin	RAS	1 336		1 872	785	899 548	496 792	1 396 340	673.31		633.24	
Shire of Dalwallinu	RAS	1 273		7 187	1 912	1 526 261	1 107 102	2 633 363	1 198.95		578.89	
Shire of Dandaragan	RAM	3 234		6 934	1 195	752 801	850 262	1 603 063	232.78		711.64	
Shire of Dardanup	RSG	14 295		518	408	905 722	1 264 769	2 170 491	63.36		3 102.24	SW
Shire of Denmark	RAL	5 954		1 842	626	592 386	475 442	1 067 828	99.49		759.71	
Shire of Derby West Kimberley	RTL	8 896		102 706	1 780	4 357 184	1 175 957	5 533 141	489.79		660.66	SW
Shire of Donnybrook Balingup	RAL	5 906		1 541	674	1 281 075	709 975	1 991 050	216.91		1 054.11	SW
Shire of Dowerin	RAS	668		1 867	939	868 622	531 158	1 399 780	1 300.33		565.45	
Shire of Dumbleyung	RAS	579		2 553	989	986 727	573 852	1 560 579	1 704.19		580.22	
Shire of Dundas	RTM	1 084		92 725	638	1 119 395	364 908	1 484 303	1 032.65		571.78	
Shire of East Pilbara	RTL	12 092		371 696	3 110	2 433 817	2 393 908	4 827 725	201.27		769.79	SW
Shire of Esperance	RAV	14 270		44 500	4 260	2 187 444	2 792 451	4 979 895	153.29		655.54	
Shire of Exmouth	RTM	2 609		6 261	286	1 495 401	410 363	1 905 764	573.17		1 436.44	
Shire of Gingin	RSG	5 458		3 325	866	899 624	836 300	1 735 924	164.83		965.85	
Shire of Gnowangerup	RAS	1 284		5 000	993	713 896	605 472	1 319 368	555.99		609.59	

Distribution to councils in Western Australia for 2017–18 (continued)

Western Australia											2017–18 actual entitlement				Special Works included in per km
Council name	Classification	Population		Council area sq km	Road length km	General purpose \$	Local road		Total \$	General purpose \$ per capita	Min #	Local road			
		Number					\$	\$				\$ per km	\$ per km		
Shire of Goomalling	RAS	966	1 845	589	375 303	357 171	732 474	388.51	606.38					SW	
Shire of Halls Creek	RTL	3 977	143 025	1 420	3 524 746	998 499	4 523 245	886.28	703.17					SW	
Shire of Harvey	URS	27 723	1 766	849	1 686 665	1 650 388	3 337 053	60.84	1 943.93					SW	
Shire of Irwin	RAM	3 734	2 223	445	182 737	328 552	511 289	48.94	738.14						
Shire of Jerramungup	RAS	1 071	6 540	1 081	649 597	613 001	1 262 598	606.53	567.04						
City of Kalamunda	UFM	60 890	349	624	1 230 365	1 108 000	2 338 365	20.18	1 776.52		#				
Shire of Katanning	RAM	4 270	1 523	703	1 513 118	483 346	1 996 464	354.36	687.17						
Shire of Kellerberrin	RAS	1 206	1 852	945	1 357 743	558 987	1 916 730	1 125.82	591.27						
Shire of Kent	RAS	523	6 552	1 324	648 848	713 119	1 361 967	1 240.63	538.47						
Shire of Kojoonup	RAM	1 980	2 937	1 130	796 063	661 515	1 457 578	402.05	585.63						
Shire of Kondinin	RAS	1 051	7 340	1 337	1 033 377	777 515	1 810 892	983.23	581.68						
Shire of Koorda	RAS	427	2 662	1 067	1 227 560	616 980	1 844 540	2 874.85	578.03						
Shire of Kulin	RAS	796	4 790	1 437	977 196	820 732	1 797 928	1 227.63	571.34						
Shire of Lake Grace	RAS	1 310	10 747	2 281	1 124 906	1 264 015	2 388 921	858.71	554.17						
Shire of Laverton	RTM	1 140	183 198	4 209	1 567 325	837 965	2 405 290	1 374.85	199.08					SW	
Shire of Leonora	RTM	2 325	31 743	1 227	613 271	615 204	1 228 475	263.77	501.58						
Shire of Manjimup	RAL	9 378	7 028	1 312	2 802 209	1 470 941	4 273 150	298.81	1 121.47					SW	
Shire of Meekatharra	RTM	1 304	100 733	2 423	2 447 811	1 205 499	3 653 310	1 877.16	497.62						
Shire of Menzies	RTS	355	128 353	2 067	1 731 812	899 234	2 631 046	4 878.34	435.14					SW	
Shire of Merredin	RAM	3 290	3 372	1 296	1 533 784	823 703	2 357 487	466.20	635.80						
Shire of Mingenew	RAS	466	1 927	451	283 046	814 007	1 097 053	607.39	1 804.01					SW	
Shire of Moora	RAM	2 530	3 788	935	839 357	722 316	1 561 673	331.76	772.66						

Distribution to councils in Western Australia for 2017-18 (continued)

Western Australia										2017-18 actual entitlement			
Council name	Classification	Population		Council area sq km	Road length km	General purpose \$	Local road		Total \$	General purpose \$ per capita	Min #	Local road \$ per km	Special Works included in per km SW
		Number					\$						
Shire of Morawa	RAS	864		3 528	973	1 034 629	553 111		1 587 740	1 197.49		568.23	
Shire of Mount Magnet	RTS	610		13 877	582	1 381 630	312 302		1 693 932	2 264.97		536.51	
Shire of Mount Marshall	RAS	437		10 134	1 676	1 444 454	852 751		2 297 205	3 305.39		508.76	
Shire of Mukinbudin	RAS	455		3 414	906	1 156 583	519 002		1 675 585	2 541.94		572.65	
Shire of Mundaring	UFM	39 994		644	670	1 282 277	1 030 298		2 312 575	32.06		1 537.20	
Shire of Murchison	RTX	108		49 500	1 647	2 703 621	867 935		3 571 556	25 033.53		527.09	
Shire of Murray	RSG	17 579		1 821	703	917 361	912 424		1 829 785	52.19		1 298.54	SW
Shire of Nannup	RAS	1 289		2 953	490	861 133	470 223		1 331 356	668.06		959.87	
Shire of Narembeen	RAS	788		3 821	1 410	1 219 648	780 947		2 000 595	1 547.78		553.81	
Shire of Narrogin	URS	5 290		1 631	800	1 718 358	574 966		2 293 324	324.83		718.61	
Shire of Ngaanyatjaraku	RTM	1 335		159 948	1 311	3 282 558	1 208 710		4 491 268	2 458.84		921.79	SW
Shire of Northam	RAV	11 455		1 443	753	2 615 364	772 711		3 388 075	228.32		1 026.32	
Shire of Northampton	RAM	3 244		12 499	1 071	838 266	693 107		1 531 373	258.41		647.07	
Shire of Nungarin	RAS	213		1 145	510	943 463	297 082		1 240 545	4 429.40		582.64	
Shire of Peppermint Grove	UDS	1 617		2	9	32 706	19 661		52 367	20.18	#	2 211.59	
Shire of Perenjori	RAS	881		8 214	1 439	1 105 556	822 231		1 927 787	1 254.89		571.57	
Shire of Pingelly	RAS	1 172		1 223	569	852 924	513 021		1 365 945	727.75		901.75	SW
Shire of Plantagenet	RAL	5 195		4 792	1 312	774 173	866 885		1 641 058	149.02		660.82	
Shire of Quairading	RAS	1 020		2 000	863	1 177 314	547 436		1 724 750	1 154.23		634.67	
Shire of Ravensthorpe	RAM	2 215		12 872	1 228	1 066 986	728 699		1 795 685	481.71		593.47	
Shire of Sandstone	RTX	100		28 218	930	1 536 953	443 979		1 980 932	15 369.53		477.28	

Distribution to councils in Western Australia for 2017–18 (continued)

Western Australia											2017–18 actual entitlement			
Council name	Classification	Populationa		Council area sq km	Road length km	General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km	Special Works included in per km SW		
		Number												
Shire of Serpentine Jarrahdale	UFS	25 943		905	727	1 621 478	975 299	2 596 777	62.50		1 342.29			
Shire of Shark Bay	RTS	953		25 000	586	1 486 836	456 110	1 942 946	1 560.16		778.89			
Shire of Tammin	RAS	399		1 087	504	768 216	285 580	1 053 796	1 925.35		566.47			
Shire of Three Springs	RAS	604		2 629	675	568 907	434 561	1 003 468	941.90		643.37			
Shire of Toodyay	RAM	4 530		1 683	626	968 500	539 688	1 508 188	213.80		862.71			
Shire of Trayning	RAS	318		1 632	752	1 095 374	448 209	1 543 583	3 444.57		596.20			
Shire of Upper Gascoyne	RTX	266		46 602	1 829	2 770 126	969 555	3 739 681	10 414.01		530.13	SW		
Shire of Victoria Plains	RAS	906		2 563	818	488 513	529 889	1 018 402	539.20		647.79			
Shire of Wagin	RAS	1 896		1 950	815	921 625	477 034	1 398 659	486.09		585.55			
Shire of Wandering	RAS	431		1 955	355	277 432	223 944	501 376	643.69		630.16			
Shire of Waroona	RAM	4 045		835	340	924 470	387 494	1 311 964	228.55		1 139.28			
Shire of West Arthur	RAS	890		2 850	858	446 636	1 023 467	1 470 103	501.84		1 192.73	SW		
Shire of Westonia	RAS	252		3 268	881	759 891	496 797	1 256 688	3 015.44		564.16			
Shire of Wickiepin	RAS	715		1 989	874	1 023 593	504 099	1 527 692	1 431.60		577.02			
Shire of Williams	RAS	920		2 295	473	135 652	300 925	436 577	147.45		636.23			
Shire of Wiluna	RTM	1 097		184 000	1 910	1 743 052	862 819	2 605 871	1 588.93		451.72	SW		
Shire of Wongan-Ballidu	RAS	1 470		3 368	1 320	1 215 433	777 407	1 992 840	826.83		588.96			
Shire of Woodanilling	RAS	415		1 126	523	532 689	301 165	833 854	1 283.59		575.32			
Shire of Wyalkatchem	RAS	516		1 743	724	1 045 320	434 580	1 479 900	2 025.81		600.20			
Shire of Wyndham East Kimberley	RTL	8 610		121 189	1 081	2 834 228	1 235 191	4 069 419	329.18		1 142.42	SW		

Distribution to councils in Western Australia for 2017-18 (continued)

Western Australia										2017-18 actual entitlement			
Council name	Classification	Population		Council area sq km	Road length km	General purpose \$	Local road		Total \$	General purpose \$ per capita	Min #	Local road \$ per km	Special Works included in per km SW
		Number					\$						
Shire of Yalgoo	RTS	382		33 258	1 133	1 789 239	560 926		2 350 165	4 683.87		494.95	
Shire of Yilgarn	RAS	1 523		30 720	2 729	855 609	1 376 501		2 232 110	561.79		504.44	
Shire of York	RAM	3 444		2 010	667	862 919	606 494		1 469 413	250.56		908.65	
Town of Bassendean	UDS	16 053		11	97	324 693	213 228		537 921	20.18	#	2 208.59	
Town of Cambridge	UDS	28 458		22	173	575 599	375 923		951 522	20.18	#	2 173.39	
Town of Claremont	UDS	10 855		5	47	219 557	103 105		322 662	20.18	#	2 183.50	
Town of Cottesloe	UDS	8 625		4	48	174 452	102 731		277 183	20.18	#	2 156.18	
Town of East Fremantle	UDS	7 770		3	37	157 158	72 677		229 835	20.18	#	1 983.70	
Town of Mosman Park	UDS	9 550		4	52	193 161	84 703		277 864	20.18	#	1 613.97	
Town of Port Hedland	RTL	16 569		11 844	458	1 034 693	727 195		1 761 888	62.45		1 587.73	
Town of Victoria Park	UDM	38 537		18	166	779 461	362 086		1 141 547	20.18	#	2 178.81	

Notes to Table 44:

a population estimates provided by the Local Government Grants Commission in each State and the Northern Territory.

* Indigenous local governing body

minimum grant

sw special works included in local roads totals.

Table 45 Distribution to councils in South Australia for 2017-18

South Australia		2017–18 actual entitlement									
		Classification	Population ^a Number	Council area sq km	Road length km	General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Adelaide Hills Council	UFM	40 013	792	1 002	817 765	705 248	1 523 013	20.33	#	703.79	
Adelaide Plains Council ^b	RAL	8 806	932	965	1 133 560	255 175	1 388 735	128.73		264.29	
Alexandrina Council	UFS	25 585	1 826	1 374	729 453	585 176	1 314 629	28.51		426.04	
Anangu Pitjantjatjara Inc*	RTM	2 773	0	3 185	1 173 586	150 294	1 323 880	423.22		47.19	
Berri Barmera Council	RAV	10 350	507	470	2 367 609	210 270	2 577 879	228.75		447.47	
City of Burnside	UDM	45 337	27	235	926 575	480 097	1 406 672	20.33	#	2 045.49	
City of Charles Sturt	UDL	114 677	56	579	2 343 711	1 240 621	3 584 332	20.33	#	2 143.70	SW
City of Holdfast Bay	UDM	37 376	14	172	763 872	375 476	1 139 348	20.33	#	2 186.48	
City of Mitcham	UDM	66 314	76	404	1 355 293	1 033 982	2 389 275	20.33	#	2 558.13	SW
City of Mount Gambier	URS	26 317	34	225	2 432 432	395 882	2 828 314	92.43		1 758.16	
City of Onkaparinga	UFV	169 575	519	1 479	5 213 993	2 358 015	7 572 008	30.75		1 594.42	
City of Playford	UFL	89 676	344	829	9 279 943	1 286 887	10 566 830	103.48		1 552.45	
City of Port Adelaide Enfield	UDV	125 083	94	687	2 556 384	1 537 266	4 093 650	20.33	#	2 236.85	SW
City of Port Lincoln	URS	14 997	32	159	1 214 496	229 322	1 443 818	80.98		1 442.34	
City of Prospect	UDS	21 410	8	87	437 567	204 484	642 051	20.33	#	2 348.14	
City of Salisbury	UDV	140 212	159	825	6 353 717	1 578 654	7 932 371	45.32		1 912.74	
City of Victor Harbor	URS	15 337	386	401	313 450	749 765	1 063 215	20.33	#	1 869.55	SW
City of West Torrens	UDM	59 312	37	290	1 212 189	2 012 153	3 224 342	20.33	#	6 941.35	SW
Clare & Gilbert Valleys Council	RAL	9 059	1 886	1 833	642 596	513 167	1 155 763	70.93		279.98	
Coorong District Council	RAL	5 516	8 863	1 893	2 373 497	662 532	3 036 029	430.29		349.91	
Copper Coast Council	RAV	14 299	776	950	1 426 663	323 883	1 750 546	99.77		340.93	

Distribution to councils in South Australia for 2017-18 (continued)

2017-18 actual entitlement											
South Australia											
Council name	Classification	Population ^a	Council area sq km	Road length km	General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km	Special Works included in per km SW
Corporation of the City of Campbelltown	UDM	51 983	24	255	1 062 402	537 228	1 599 630	20.33	#	2 108.24	
Corporation of the City of Marion	UDL	89 777	56	474	1 834 817	960 042	2 794 859	20.33	#	2 023.68	
Corporation of the City of Nonwood Payneham & St Peters	UDM	37 496	15	160	766 325	365 458	1 131 783	20.33	#	2 279.47	
Corporation of the City of Port Augusta	URS	14 441	1 188	411	2 647 615	288 482	2 936 097	183.34		702.47	
Corporation of the City of Tea Tree Gully	UDL	99 118	95	594	2 025 724	1 120 792	3 146 516	20.33	#	1 885.57	
Corporation of the City of Unley	UDM	39 518	14	165	807 649	381 099	1 188 748	20.33	#	2 314.71	
Corporation of the City of Whyalla	URS	22 582	1 072	283	3 906 443	393 692	4 300 135	172.99		1 392.43	
Corporation of the Town of Walkerville	UDS	7 694	4	35	157 246	77 140	234 386	20.33	#	2 192.28	
Barunga West Council ^c	RAM	2 453	1 581	924	342 862	192 597	535 459	139.77		208.42	
District Council of Ceduna	RAM	3 743	5 433	1 715	2 016 945	443 995	2 460 940	538.86		258.86	
District Council of Cleve	RAS	1 791	4 999	1 546	1 053 790	395 018	1 448 808	588.38		255.53	
District Council of Coober Pedy	URS	1 782	78	421	810 256	45 673	855 929	454.69		108.46	
District Council of Elliston	RAS	1 056	6 679	1 148	719 760	1 292 177	2 011 937	681.59		1 125.80	SW
District Council of Franklin Harbour	RAS	1 211	2 767	784	1 019 314	216 824	1 236 138	841.71		276.49	
District Council of Grant	RAL	8 326	1 917	1 569	1 129 898	337 170	1 467 068	135.71		214.89	

Distribution to councils in South Australia for 2017–18 (continued)

2017–18 actual entitlement											
South Australia											
Council name	Classification	Population ^a Number	Council area sq km	Road length km	General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km	Special Works included in per km SW
District Council of Karoonda East Murray	RAS	991	4 409	1 299	1 187 642	338 883	1 526 525	1 198.43		260.91	
District Council of Kimba	RAS	1 098	3 966	1 716	988 511	302 812	1 291 323	900.28		176.48	
District Council of Lower Eyre Peninsula	RAL	5 072	4 755	1 344	466 484	412 137	878 621	91.97		306.54	
District Council of Loxton Waikerie	RAV	11 396	7 966	2 304	3 534 961	730 317	4 265 278	310.19		317.02	
District Council of Mount Barker	URM	33 117	593	776	725 880	572 592	1 298 472	21.92		737.69	
District Council of Mount Remarkable	RAM	2 774	3 441	2 067	1 629 832	364 930	1 994 762	587.54		176.53	
District Council of Orroroo Carrieton	RAS	854	3 306	1 628	953 774	669 955	1 623 729	1 116.83		411.53	SW
District Council of Peterborough	RAS	1 696	3 006	1 231	1 306 830	244 576	1 551 406	770.54		198.74	
District Council of Robe	RAS	1 424	1 098	435	29 103	353 362	382 465	20.33	#	812.44	SW
District Council of Streaky Bay	RAM	2 267	6 241	1 733	1 443 208	463 751	1 906 959	636.62		267.52	
District Council of Tumby Bay	RAM	2 659	2 670	1 110	525 293	262 991	788 284	197.55		236.92	
District Council of Yankalilla	RAM	4 777	757	545	125 674	153 955	279 629	26.31		282.50	
Gerard Reserve Council Inc	RTX	224	0	0	45 802	20 024	65 826	204.47			
Kangaroo Island Council	RAM	4 635	4 434	1 362	1 604 717	397 873	2 002 590	346.22		292.06	
Kingston District Council	RAM	2 369	3 351	744	531 756	251 482	783 238	224.46		338.21	

Distribution to councils in South Australia for 2017-18 (continued)

2017-18 actual entitlement													
South Australia													
Council name	Classification	Population ^a		Council area sq km	Road length km	General purpose \$	Local road		Total \$	General purpose		Local road \$ per km	Special Works included in per km SW
		Number					\$	#		\$ per capita	#		
Light Regional Council	RAV	15 031		1 273	1 457	339 441	419 284		758 725	22.58		287.80	
Maralinga Tjarutja*	RTX	75		0	0	95 698	53 771		149 469	1 275.97			
Mid Murray Council	RAL	8 268		6 252	3 395	3 046 186	1 810 985		4 857 171	368.43		533.37	SW
Municipal Council of Roxby Downs	URS	4 985		110	39	116 144	78 972		195 116	23.30		2 047.11	
Naracoorte Lucindale Council	RAL	8 305		4 532	1 618	2 510 305	483 214		2 993 519	302.26		298.70	
Nipapanha Community Incorporated*	RTX	75		0	0	29 381	19 937		49 318	391.75			
Northern Areas Council	RAM	4 454		2 974	2 203	1 393 778	400 935		1 794 713	312.93		182.00	
Outback Communities Authority	RTL	3 678		0	0	1 483 178	0		1 483 178	403.26			
Port Pirie Regional Council	RAV	17 345		1 792	1 367	4 058 827	865 385		4 924 212	234.01		633.15	SW
Regional Council of Goyder	RAM	4 213		6 688	3 248	2 619 309	675 646		3 294 955	621.72		208.02	
Renmark Paranga Council	RAL	9 117		900	479	2 494 797	214 638		2 709 435	273.64		447.81	
Rural City of Murray Bridge	URS	21 163		1 824	976	3 403 566	479 799		3 883 365	160.83		491.52	
Southern Mallee District Council	RAM	2 056		5 702	1 331	1 125 906	401 964		1 527 870	547.62		301.89	
Tatiara District Council	RAL	6 570		6 525	1 932	2 678 958	832 515		3 511 473	407.76		430.90	SW
The Barossa Council	UFS	23 410		891	975	627 754	466 183		1 093 937	26.82		478.11	
The Corporation of the City of Adelaide	UCC	23 615		15	124	482 632	252 132		734 764	20.33	#	2 027.37	
The Flinders Ranges Council	RAS	1 576		4 106	1 262	1 185 604	298 602		1 484 206	752.29		236.54	

Distribution to councils in South Australia for 2017–18 (continued)

2017–18 actual entitlement												
South Australia												
Council name	Classification	Population ^a		Council area sq km	Road length km	General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km	Special Works included in per km SW
		Number										
Town of Gawler	UFS	23 192		41	198	1 297 659	317 297	1 614 956	55.95		1 601.92	
Wakefield Regional Council	RAL	6 870		3 479	2 686	1 916 468	530 098	2 446 566	278.96		197.37	
Wattle Range Council	RAV	11 258		3 947	2 439	2 221 217	663 180	2 884 397	197.30		271.91	SW
Wudinna District Council	RAS	1 269		5 369	1 690	1 207 863	396 607	1 604 470	951.82		234.70	
Yalata Anangu Aboriginal Corporation*	RTX	296		0	64	164 857	43 292	208 149	556.95		674.00	
Yorke Peninsula Council	RAV	10 966		5 946	3 891	1 416 988	808 470	2 225 458	129.22		207.79	

Notes to Table 45:

- a population estimates provided by the Local Government Grants Commission in each State and the Northern Territory.
- b Mallala Council — Council changed its name as of 22 September 2016 to Adelaide Plains Council.
- c Barunga West Council — Council changed its name as of 19 April 2018 from District Council of Barunga West.

* Indigenous local governing body

minimum grant

sw special works included in local roads totals

Table 46 Distribution to councils in Tasmania for 2017-18

Tasmania		2017-18 actual entitlement									
		Population ^a	Council area	Road length	General purpose	Local road	Total	General purpose	Min	Local road	
Council name	Classification	Number	sq km	km	\$	\$	\$	\$ per capita	#	\$ per km	
Break O'Day Council	RAL	6 453	3 521	547	1 305 593	1 533 735	2 839 328	202.32		2 803.90	
Brighton Council	URS	16 101	171	187	1 091 288	590 863	1 682 151	67.78		3 159.70	
Burnie City Council	URS	19 779	610	344	1 126 598	1 146 515	2 273 113	56.96		3 331.92	
Central Coast Council	URS	22 313	931	667	2 069 161	1 827 631	3 896 792	92.73		2 738.84	
Central Highlands Council	RAM	2 301	7 976	737	915 458	1 394 409	2 309 867	397.85		1 892.01	
Circular Head Council	RAL	8 187	4 891	774	1 253 099	1 903 796	3 156 895	153.06		2 459.68	
Clarence City Council	UFM	55 175	377	458	1 121 404	1 530 264	2 651 668	20.20	#	3 341.19	
Derwent Valley Council	RAL	10 045	4 103	333	1 333 006	901 219	2 234 225	132.70		2 706.36	
Devonport City Council	URS	25 579	111	280	900 802	1 186 984	2 087 786	35.22		4 239.23	
Dorset Council	RAL	7 078	3 223	688	1 616 628	1 781 688	3 398 316	228.40		2 591.12	
Flinders Council	RAS	786	1 994	351	610 935	711 384	1 322 319	777.27		2 026.74	
George Town Council	RAL	6 870	653	274	986 185	788 691	1 774 876	143.55		2 878.43	
Glamorgan Spring Bay Council	RAM	4 528	2 587	358	310 740	920 880	1 231 620	68.63		2 573.02	
Glenorchy City Council	UFM	46 143	121	317	937 833	1 399 277	2 337 110	20.20	#	4 414.12	
Hobart City Council	UCC	51 127	78	310	1 039 131	1 641 674	2 680 805	20.20	#	5 295.72	
Huon Valley Council	RAV	16 577	5 497	707	2 030 432	1 577 383	3 607 815	122.48		2 231.09	
Kentish Council	RAL	6 497	1 155	471	1 525 072	1 166 024	2 691 096	234.73		2 475.63	
King Island Council	RAS	1 583	1 094	442	766 873	977 960	1 744 833	484.44		2 212.58	
Kingborough Council	UFM	36 197	719	539	735 686	1 413 791	2 149 477	20.20	#	2 624.31	
Latrobe Council	RAV	11 097	600	288	798 542	736 905	1 535 447	71.96		2 559.59	
Launceston City Council	URM	67 181	1 411	750	1 365 420	2 847 332	4 212 752	20.20	#	3 795.98	
Meander Valley Council	RAV	19 801	3 320	821	2 128 206	2 079 755	4 207 961	107.48		2 533.20	

Distribution to councils in Tasmania for 2017–18 (continued)

Tasmania		2017–18 actual entitlement									
		Classification	Population ^a Number	Council area sq km	Road length km	General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Northern Midlands Council	RAV	12 758	5 126	960	1 078 669	2 271 202	3 349 871	84.55		2 365.84	
Sorell Council	RAV	14 146	583	349	1 143 158	939 176	2 082 334	80.81		2 691.05	
Southern Midlands Council	RAL	6 303	2 611	812	1 716 389	1 579 873	3 296 262	272.31		1 945.66	
Tasman Council	RAM	2 404	659	197	463 165	494 732	957 897	192.66		2 511.33	
Waratah/Wynyard Council	RAV	14 276	3 526	540	1 552 036	1 339 252	2 891 288	108.72		2 480.10	
West Coast Council	RAM	4 435	9 574	195	1 283 271	646 270	1 929 541	289.35		3 314.21	
West Tamar Council	UFS	23 343	690	466	1 960 876	1 230 665	3 191 541	84.00		2 640.91	

Notes to Table 46:

a population estimates provided by the Local Government Grants Commission in each State and the Northern Territory.

* Indigenous local governing body

minimum grant

Table 47 Distribution to councils in Northern Territory for 2017 -18

Northern Territory		2017-18 actual entitlement									
		Classification	Population ^a Number	Council area sq km	Road length km	General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km
Alice Springs Town Council	URS	27 896	327	245	725 599	932 531	1 658 130	26.01		3 806.25	
Barkly Regional Council	RTL	8 154	322 693	556	1 829 527	444 195	2 273 722	224.37		798.91	
Belyuen Community Government Council	RTX	208	42	84	27 673	32 363	60 036	133.04		385.27	
Central Desert Regional Council	RTL	4 293	282 090	1 769	955 910	838 778	1 794 688	222.67		474.15	
City of Darwin	UCC	83 415	142	525	1 760 978	1 826 989	3 587 967	20.45	#	3 479.98	
City of Palmerston	UFS	35 152	56	273	742 095	881 840	1 623 935	20.45	#	3 230.18	
Coomalie Community Government Council	RTM	1 290	1 512	175	27 234	443 158	470 392	20.45	#	2 532.33	
East Arnhem Regional Council*	RTL	10 687	33 302	973	3 112 553	1 217 234	4 329 787	291.25		1 251.01	
Katherine Town Council	URS	11 021	7 421	187	622 111	620 194	1 242 305	56.45		3 316.55	
Litchfield Council	RAV	23 865	3 072	730	503 815	2 528 733	3 032 548	20.45	#	3 464.02	
Local Government Association of the Northern Territory Inc	N/A	0	0	2 123	0	1 519 107	1 519 107			715.55	
MacDonnell Regional Council*	RTL	6 893	268 784	1 562	1 780 614	979 733	2 760 347	258.32		627.23	
Roper Gulf Regional Council	RTL	7 405	185 176	940	1 876 168	1 047 831	2 923 999	253.37		1 114.71	
Tiwi Islands Regional Council*	RTM	3 091	7 501	845	448 935	958 016	1 406 951	145.24		1 133.75	
Victoria Daly Regional Council*	RTL	3 272	153 475	335	521 319	692 783	1 214 102	159.33		2 068.01	
Wagait Shire Council	RTX	427	6	17	9 014	54 210	63 224	20.45	#	3 188.82	

Distribution to councils in Northern Territory for 2017–18 (continued)

Northern Territory		2017–18 actual entitlement										
		Population ^a Number	Council area sq km	Road length km	General purpose \$	Local road \$	Total \$	General purpose \$ per capita	Min #	Local road \$ per km		
Council name	Classification											
West Arnhem Regional Council*	RTL	7 431	49 698	1 232	1 271 604	1 167 570	2 439 174	171.12	#	947.70		
West Daly Regional Council [#]	RTL	3 771	14 100	697	552 022	859 375	1 411 397	146.39		1 232.96		

Notes to Table 47:

a population estimates provided by the Local Government Grants Commission in each State and the Northern Territory.

* Indigenous local governing body

minimum grant



Appendix E

Ranking of local governing bodies



In this appendix, the grant per capita is used as the basis for comparing relative need for the general purpose grants. For local road grants, allocation of grants for each council is divided by their length of local roads to obtain a relative expenditure needs measure. For the following tables, councils within a state are sorted on the value of the general purpose grant per capita and the local road grants per kilometre. For each council, the table gives the ranking obtained for both grants. The Australian Classification of Local Government category for each council is also provided (see Appendix F). For each state and the Northern Territory, the position of the average general purpose grant per capita and the average local road grant per kilometre are also shown within the ranking of councils.

Key to symbols used in Tables in Appendix E. See Appendix F for a full explanation.

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 48 New South Wales councils ranked by grant funding 2017 - 18

New South Wales councils ranked by grant funding 2017 - 18		New South Wales councils ranked by funding per kilometre	
General purpose grant		Local road grant	
Rank	Council Name	Classification	\$ per capita
	State average		67.97
1	Central Darling Shire Council	RTM	1 757.99
2	Bourke Shire Council	RAM	1 310.34
3	Brewarrina Shire Council	RAS	1 302.46
4	Carrathool Shire Council	RAM	1 216.24
5	Balranald Shire Council	RAM	1 053.48
6	Bogan Shire Council	RAM	816.66
7	Lachlan Council	RAL	809.31
8	Cobar Shire Council	RTL	767.66
9	Bland Shire Council	RAL	742.37
10	Lockhart Shire Council	RAM	650.33
11	Murrumbidgee Council	RAM	632.59
12	Hay Shire Council	RAM	622.10
13	Walgett Shire Council	RAL	606.08
14	Wentworth Shire Council	RAL	574.41
15	Silverton Village Committee Incorporated	RTX	569.18
16	Tibooburra Village Committee Incorporated	RTX	569.17
17	Coonamble Shire Council	RAM	550.01
18	Warren Shire Council	RAM	545.77
19	Lord Howe Island Board	RTX	522.16
20	Gilgandra Council	RAM	521.14
21	Coolamon Shire Council	RAM	503.98
22	Narrandera Shire Council	RAL	502.75
	State average		1 440.72
1	The Council of the City of Sydney	UCC	4 179.95
2	Waverley Council	UDL	3 814.20
3	Randwick City Council	UDV	3 384.44
4	North Sydney Council	UDL	3 306.62
5	Cumberland Council	UDV	3 287.43
6	City of Canada Bay Council	UDL	3 234.84
7	Strathfield Municipal Council	UDM	3 224.14
8	Bayside Council	UDV	3 122.38
9	Inner West Council	UDV	3 075.30
10	Burwood Council	UDM	3 068.07
11	Council of the Municipality of Woollahra	UDM	3 059.59
12	Canterbury-Bankstown Council	UDV	2 994.15
13	Lane Cove Municipal Council	UDM	2 921.90
14	Georges River Council	UDV	2 909.91
15	Council of the City of Ryde	UDL	2 904.41
16	Willoughby City Council	UDL	2 867.88
17	City of Parramatta Council	UDV	2 814.04
18	Fairfield City Council	UDV	2 791.77
19	Mosman Municipal Council	UDM	2 714.30
20	Northern Beaches Council	UDV	2 683.61
21	Coffs Harbour City Council	URL	2 641.66
22	Albury City Council	URM	2 547.49

New South Wales councils ranked by grant funding 2017–18 (continued)

New South Wales councils ranked by funding per capita					New South Wales councils ranked by funding per kilometre				
General purpose grant					Local road grant				
Rank	Council Name	Classification	\$ per capita	Rank	Council Name	Classification	\$ per km		
23	Gwydir Shire Council	RAL	488.30	23	Liverpool City Council	UDV	2 518.15		
24	Warrumbungle Shire Council	RAL	448.51	24	Tweed Shire Council	URL	2 504.52		
25	Murray River Council	RAV	437.12	25	Blacktown City Council	UDV	2 502.74		
26	Edward River Council	RAL	415.86	26	Orange City Council	URM	2 501.80		
27	Weddin Shire Council	RAM	409.44	27	Campbelltown City Council	UFV	2 484.83		
28	Tenterfield Shire Council	RAL	405.87	28	Sutherland Shire Council	UDV	2 479.54		
29	Narramine Shire Council	RAL	395.74	29	Ku-Ring-Gai Council	UDV	2 477.03		
30	Walcha Council	RAM	394.68	30	Wollongong City Council	URV	2 476.06		
31	Berrigan Shire Council	RAL	371.40	31	Hunter's Hill Council	UDS	2 355.38		
32	Federation Council	RAV	348.63	32	Council of the City of Broken Hill	URS	2 306.87		
33	Temora Shire Council	RAL	338.91	33	Newcastle City Council	URV	2 306.10		
34	Narrabri Shire Council	RAV	334.71	34	Hornsby Shire Council	UFV	2 303.97		
35	Upper Lachlan Shire Council	RAL	330.45	35	Penrith City Council	UFV	2 275.77		
36	Forbes Shire Council	RAL	325.50	36	Council of the City of Shellharbour	URL	2 234.21		
37	Moree Plains Shire Council	RAV	324.70	37	Port Macquarie Hastings Council	URL	2 222.12		
38	Snowy Monaro Regional Council	URS	312.19	38	Ballina Shire Council	URM	2 137.01		
39	Oberon Council	RAL	302.49	39	The Council of Camden	UFL	2 126.76		
40	Cootamundra-Gundagai Regional Council	RAV	298.07	40	Central Coast Council (NSW)	UFV	2 125.98		
41	Greater Hume Shire Council	RAV	288.00	41	Kiama Municipal Council	URS	2 124.98		
42	Glen Innes Severn Council	RAL	284.22	42	The Hills Shire Council	UFV	2 103.76		
43	Liverpool Plains Shire Council	RAL	283.16	43	Lake Macquarie City Council	URV	2 085.76		
44	Juneee Shire Council	RAL	282.74	44	Shoalhaven City Council	URL	2 053.71		
45	Snowy Valleys Council	RAV	269.78	45	Byron Shire Council	URM	1 980.27		

New South Wales councils ranked by grant funding 2017-18 (continued)

New South Wales councils ranked by funding per capita					New South Wales councils ranked by funding per kilometre				
General purpose grant					Local road grant				
Rank	Council Name	Classification	\$ per capita		Rank	Council Name	Classification	\$ per km	
46	Kyogle Council	RAL	265.56		46	Maitland City Council	URL	1 968.66	
47	Hilltops Council	RAV	259.87		47	Blue Mountains City Council	UFL	1 848.07	
48	Leeton Shire Council	RAV	256.54		48	Hawkesbury City Council	UFM	1 837.00	
49	Parkes Shire Council	RAV	255.26		49	Port Stephens Council	URL	1 834.18	
50	Cowra Shire Council	RAV	234.83		50	Cessnock City Council	URM	1 816.69	
51	Uralla Shire Council	RAL	231.65		51	Wollondilly Shire Council	UFM	1 802.14	
52	Blayney Shire Council	RAL	224.68		52	Lismore City Council	URM	1 749.44	
53	Inverell Shire Council	RAV	212.86		53	Nambucca Shire Council	RAV	1 746.92	
54	Council of the City of Broken Hill	URS	210.69		54	Wingecarribee Shire Council	URM	1 709.32	
55	Gunnedah Shire Council	RAV	209.66		55	Eurobodalla Shire Council	URM	1 682.86	
56	Bellingen Shire Council	RAV	199.78		56	Kempsey Shire Council	URS	1 677.75	
57	Upper Hunter Shire Council	RAV	193.99		57	Bathurst Regional Council	URM	1 661.43	
58	Cabonne Shire Council	RAV	190.71		58	Queanbeyan-Palerang Regional Council	URM	1 658.76	
59	Dungog Shire Council	RAL	167.95		59	Bellingen Shire Council	RAV	1 652.01	
60	Mid-Western Regional Council	URS	155.16		60	Bega Valley Shire Council	URM	1 605.55	
61	Dubbo Regional Council	URM	152.82		61	Singleton Council	URS	1 604.20	
62	City of Lithgow Council	URS	151.64		62	Mid-Coast Council	URL	1 596.11	
63	Bega Valley Shire Council	URM	146.92		63	Muswellbrook Shire Council	RAV	1 565.49	
64	Clarence Valley Council	URM	146.13		64	Clarence Valley Council	URM	1 531.53	
65	Richmond Valley Council	URS	139.21		65	Richmond Valley Council	URS	1 530.32	
66	Muswellbrook Shire Council	RAV	138.90		66	Wagga Wagga City Council	URM	1 485.16	
67	Griffith City Council	URS	137.55		67	Dungog Shire Council	RAL	1 465.20	
68	Eurobodalla Shire Council	URM	136.23		68	Kyogle Council	RAL	1 463.05	

New South Wales councils ranked by grant funding 2017–18 (continued)

New South Wales councils ranked by funding per capita					New South Wales councils ranked by funding per kilometre				
General purpose grant					Local road grant				
Rank	Council Name	Classification	\$ per capita	Rank	Council Name	Classification	\$ per km		
69	Mid-Coast Council	URL	133.06	69	Goulburn Mulwaree Council	URS	1 462.62		
70	Kempsey Shire Council	URS	132.50	70	Tamworth Regional Council	URM	1 383.81		
71	Armidale Regional Council	URM	131.99	71	City of Lithgow Council	URS	1 380.28		
72	Nambucca Shire Council	RAV	130.00	72	Snowy Valleys Council	RAV	1 314.27		
73	Wagga Wagga City Council	URM	107.37	73	Dubbo Regional Council	URM	1 282.28		
74	Goulburn Mulwaree Council	URS	106.38	74	Griffith City Council	URS	1 259.83		
75	Bathurst Regional Council	URM	100.14	75	Armidale Regional Council	URM	1 249.77		
76	Tamworth Regional Council	URM	98.81	76	Yass Valley Council	RAV	1 233.70		
77	Cessnock City Council	URM	95.82	77	Glen Innes Severn Council	RAL	1 216.82		
78	Lismore City Council	URM	95.05	78	Mid-Western Regional Council	URS	1 207.31		
79	Singleton Council	URS	94.58	79	Blayney Shire Council	RAL	1 195.76		
80	Albury City Council	URM	93.37	80	Cootamundra-Gundagai Regional Council	RAV	1 192.72		
81	Yass Valley Council	RAV	92.77	81	Upper Hunter Shire Council	RAV	1 191.58		
82	Blue Mountains City Council	UFL	91.37	82	Cowra Shire Council	RAV	1 167.74		
83	Shoalhaven City Council	URL	86.32	83	Cabonne Shire Council	RAV	1 160.43		
84	Tweed Shire Council	URL	81.09	84	Leeton Shire Council	RAV	1 154.38		
85	Port Macquarie Hastings Council	URL	78.89	85	Snowy Monaro Regional Council	URS	1 154.30		
86	Orange City Council	URM	78.11	86	Uralla Shire Council	RAL	1 144.83		
87	Wollongong City Council	URV	75.25	87	Inverell Shire Council	RAV	1 138.74		
88	Port Stephens Council	URL	74.49	88	Gunnedah Shire Council	RAV	1 131.39		
89	Maitland City Council	URL	70.78	89	Hilltops Council	RAV	1 108.97		
90	Coffs Harbour City Council	URL	70.18	90	Greater Hume Shire Council	RAV	1 107.04		
91	Ballina Shire Council	URM	69.61	91	Liverpool Plains Shire Council	RAL	1 106.58		

New South Wales councils ranked by grant funding 2017-18 (continued)

New South Wales councils ranked by funding per capita					New South Wales councils ranked by funding per kilometre				
General purpose grant					Local road grant				
Rank	Council Name	Classification	\$ per capita	Rank	Council Name	Classification	\$ per km		
92	Newcastle City Council	URV	64.58	92	Tenterfield Shire Council	RAL	1 105.97		
93	Lake Macquarie City Council	URV	64.35	93	Murray River Council	RAV	1 098.26		
94	Wingecarribee Shire Council	URM	63.87	94	Walcha Council	RAM	1 097.83		
95	Central Coast Council (NSW)	UFV	62.60	95	Junee Shire Council	RAL	1 075.98		
96	Queanbeyan-Palerang Regional Council	URM	62.17	96	Forbes Shire Council	RAL	1 070.17		
97	Council of the City of Shellharbour	URL	59.53	97	Parkes Shire Council	RAV	1 066.89		
98	Byron Shire Council	URM	55.84	98	Oberon Council	RAL	1 066.03		
99	Campbelltown City Council	UFV	51.10	99	Upper Lachlan Shire Council	RAL	1 061.78		
100	Kiama Municipal Council	URS	50.68	100	Lockhart Shire Council	RAM	1 061.41		
101	Wollondilly Shire Council	UFM	47.98	101	Narrabri Shire Council	RAV	1 060.95		
102	Penrith City Council	UFV	42.38	102	Federation Council	RAV	1 058.57		
103	Hawkesbury City Council	UFM	40.73	103	Moree Plains Shire Council	RAV	1 054.62		
104	Blacktown City Council	UDV	38.20	104	Edward River Council	RAL	1 053.45		
105	Fairfield City Council	UDV	36.06	105	Berrigan Shire Council	RAL	1 046.60		
106	The Council of Camden	UFL	31.57	106	Walggett Shire Council	RAL	1 045.52		
107	City of Parramatta Council	UDV	31.24	107	Warrumbungle Shire Council	RAL	1 045.39		
108	Liverpool City Council	UDV	31.21	108	Warren Shire Council	RAM	1 041.04		
109	Cumberland Council	UDV	26.39	109	Gilgandra Council	RAM	1 038.71		
110	Canterbury-Bankstown Council	UDV	23.01	110	Narrandera Shire Council	RAL	1 030.29		
111	Inner West Council	UDV	21.20	111	Gwydir Shire Council	RAL	1 028.85		
112	The Hills Shire Council	UFV	20.39	112	Temora Shire Council	RAL	1 025.74		
112	Hornsby Shire Council	UFV	20.39	113	Coonamble Shire Council	RAM	1 021.68		
112	Hunter's Hill Council	UDS	20.39	114	Bogan Shire Council	RAM	1 020.06		

New South Wales councils ranked by grant funding 2017–18 (continued)

New South Wales councils ranked by funding per capita					New South Wales councils ranked by funding per kilometre				
General purpose grant					Local road grant				
Rank	Council Name	Classification	\$ per capita	Rank	Council Name	Classification	\$ per km		
112	Ku-Ring-Gai Council	UDV	20.39	115	Narromine Shire Council	RAL	1 018.35		
112	Sutherland Shire Council	UDV	20.39	116	Weddin Shire Council	RAM	1 015.10		
112	Northern Beaches Council	UDV	20.39	117	Wentworth Shire Council	RAL	1 004.53		
112	Mosman Municipal Council	UDM	20.39	118	Hay Shire Council	RAM	1 000.37		
112	Willoughby City Council	UDL	20.39	119	Murrumbidgee Council	RAM	990.70		
112	Council of the City of Ryde	UDL	20.39	120	Coolamon Shire Council	RAM	990.69		
112	Georges River Council	UDV	20.39	121	Brewarrina Shire Council	RAS	988.25		
112	Lane Cove Municipal Council	UDM	20.39	122	Cobar Shire Council	RTL	982.23		
112	Council of the Municipality of Woollahra	UDM	20.39	123	Lachlan Council	RAL	976.63		
112	Burwood Council	UDM	20.39	124	Bourke Shire Council	RAM	974.00		
112	Bayside Council	UDV	20.39	125	Bland Shire Council	RAL	971.93		
112	Strathfield Municipal Council	UDM	20.39	126	Carrathool Shire Council	RAM	965.15		
112	City of Canada Bay Council	UDL	20.39	127	Balranald Shire Council	RAM	959.39		
112	North Sydney Council	UDL	20.39	128	Central Darling Shire Council	RTM	958.08		
112	Randwick City Council	UDV	20.39	129	Lord Howe Island Board	RTX	0.00		
112	Waverley Council	UDL	20.39	129	Silverton Village Committee Incorporated	RTX	0.00		
112	The Council of the City of Sydney	UCC	20.39	129	Tibooburra Village Committee Incorporated	RTX	0.00		

Table 49 Victoria councils ranked by grant funding 2017–18

<i>Victoria councils ranked by funding per capita</i>				<i>Victoria councils ranked by funding per kilometre</i>			
<i>General purpose grant</i>				<i>Local road grant</i>			
Rank	Council Name	Classification	\$ per capita	Rank	Council Name	Classification	\$ per km
State average			67.01	State average			1 143.52
1	West Wimmera Shire Council	RAM	727.25	1	Melbourne City Council (City of Melbourne)	UCC	3 228.02
2	Loddon Shire Council	RAL	617.55	2	City of Greater Dandenong	UDV	2 118.66
3	Buloke Shire Council	RAL	558.40	3	Kingston City Council	UDV	2 063.76
4	Hindmarsh Shire Council	RAL	461.78	4	City of Port Phillip	UDL	1 924.12
5	Yarriambiack Shire Council	RAL	454.87	5	Warrnambool City Council	URM	1 895.38
6	Pyrenees Shire Council	RAL	422.42	6	Yarra Ranges Shire Council	UFV	1 870.73
7	Shire of Towong	RAL	417.34	7	Brimbank City Council	UDV	1 868.23
8	Northern Grampians Shire Council	RAV	362.86	8	Hume City Council	UFV	1 839.62
9	Gannawarra Shire Council	RAV	308.23	9	Yarra City Council	UDL	1 808.00
10	Ararat Rural City Council	RAV	282.81	10	Moreland City Council	UDV	1 762.72
11	Shire of Strathbogie	RAL	282.06	11	Wodonga City Council	URM	1 745.22
12	Southern Grampians Shire Council	RAV	249.46	12	City of Maribymong	UDL	1 741.40
13	Corangamite Shire Council	RAV	246.36	13	Melton City Council	UFV	1 724.52
14	Shire of Moyne	RAV	240.07	14	South Gippsland Shire Council	URS	1 703.94
15	Moira Shire Council	URS	221.19	15	Banyule City Council	UDV	1 689.39
16	East Gippsland Shire Council	URM	217.74	16	City of Darebin	UDV	1 688.74
17	Glenside Shire Council	RAV	214.91	17	Stonnington City Council	UDL	1 684.25
18	Mansfield Shire Council	RAL	211.74	18	Hobsons Bay City Council	UDL	1 680.06
19	Swan Hill Rural City Council	URS	206.00	19	City of Whittlesea	UFV	1 653.48
20	Murrindindi Shire Council	RAV	203.76	20	Cardinia Shire Council	UFL	1 651.22
21	Central Goldfields Shire Council	RAV	199.06	21	Moonee Valley City Council	UDL	1 617.56
22	Alpine Shire	RAV	195.08	22	Whitehorse City Council	UDV	1 613.77
23	Horsham Rural City Council	RAV	195.05	23	Ballarat City Council	URL	1 613.60

Victoria councils ranked by grant funding 2017–18 (continued)

Victoria councils ranked by funding per capita					Victoria councils ranked by funding per kilometre				
General purpose grant					Local road grant				
Rank	Council Name	Classification	\$ per capita	Rank	Council Name	Classification	\$ per km		
24	Hepburn Shire Council	RAV	193.57	24	Latrobe City Council	URL	1 581.27		
25	South Gippsland Shire Council	URS	192.06	25	City of Boroondara	UDV	1 575.73		
26	Mildura Rural City Council	URM	190.91	26	Maroondah City Council	UDL	1 571.13		
27	Campaspe Shire Council	URM	190.70	27	Monash City Council	UDV	1 566.47		
28	Wellington Shire Council	URM	183.26	28	Frankston City Council	UDV	1 561.79		
29	Benalla Rural City Council	RAV	178.33	29	Bayside City Council	UDL	1 554.86		
30	Indigo Shire Council	RAV	176.13	30	Colac Otway Shire	URS	1 549.74		
31	Colac Otway Shire	URS	167.31	31	Wyndham City Council	UFV	1 545.74		
32	Mount Alexander Shire Council	RAV	160.08	32	City of Greater Geelong	URV	1 514.88		
33	Golden Plains Shire Council	URS	155.64	33	City of Knox	UDV	1 499.78		
34	Wangaratta Rural City Council	URS	154.60	34	East Gippsland Shire Council	URM	1 497.95		
35	Bass Coast Shire Council	URM	138.87	35	Bass Coast Shire Council	URM	1 492.44		
36	Greater Shepparton City Council	URM	136.47	36	Casey City Council	UDV	1 489.39		
37	Moorabool Shire Council	URM	130.23	37	Wellington Shire Council	URM	1 488.74		
38	Baw Baw Shire Council	URM	126.47	38	City of Glen Eira	UDV	1 455.85		
39	Latrobe City Council	URL	124.90	39	Shire of Moyne	RAV	1 449.66		
40	Mitchell Shire Council	URM	124.25	40	Nilumbik Shire Council	UFM	1 442.53		
41	Greater Bendigo City Council	URL	111.39	41	Shire of Towong	RAL	1 434.52		
42	Wodonga City Council	URM	105.53	42	Corangamite Shire Council	RAV	1 420.68		
43	Macedon Ranges Shire Council	URM	102.15	43	Surf Coast Shire	UFS	1 419.13		
44	Ballarat City Council	URL	101.55	44	Mornington Peninsula Shire Council	UFV	1 404.84		
45	Melton City Council	UFV	89.90	45	Baw Baw Shire Council	URM	1 381.59		
46	Warrambool City Council	URM	85.00	46	Murrindindi Shire Council	RAV	1 338.10		

Victoria councils ranked by grant funding 2017-18 (continued)

Victoria councils ranked by funding per capita					Victoria councils ranked by funding per kilometre				
General purpose grant					Local road grant				
Rank	Council Name	Classification	\$ per capita	Rank	Council Name	Classification	\$ per km		
47	Cardinia Shire Council	UFL	83.82	47	Manningham City Council	UDL	1 331.96		
48	Surf Coast Shire	UFS	81.87	48	Alpine Shire	RAV	1 330.42		
49	Borough of Queenscliffe	UFS	72.83	49	Borough of Queenscliffe	UFS	1 297.28		
50	City of Greater Geelong	URV	70.94	50	Glenelg Shire Council	RAV	1 275.03		
51	Yarra Ranges Shire Council	UFV	69.45	51	Macedon Ranges Shire Council	URM	1 234.02		
52	Wyndham City Council	UFV	62.54	52	Greater Shepparton City Council	URM	1 194.30		
53	Brimbank City Council	UDV	60.76	53	Wangaratta Rural City Council	URS	1 188.85		
54	City of Greater Dandenong	UDV	60.58	54	Moorabool Shire Council	URM	1 187.99		
55	City of Whittlesea	UFV	59.61	55	Mitchell Shire Council	URM	1 169.80		
56	Hume City Council	UFV	58.81	56	Mount Alexander Shire Council	RAV	1 123.59		
57	Frankston City Council	UDV	53.00	57	Benalla Rural City Council	RAV	1 090.97		
58	Casey City Council	UDV	52.83	58	Mansfield Shire Council	RAL	1 080.10		
59	City of Knox	UDV	38.32	59	Greater Bendigo City Council	URL	1 070.33		
60	Maroondah City Council	UDL	36.38	60	Golden Plains Shire Council	URS	1 066.67		
61	Nillumbik Shire Council	UFM	29.96	61	Southern Grampians Shire Council	RAV	1 060.79		
62	City of Maribymong	UDL	25.99	62	Moira Shire Council	URS	1 028.25		
63	Moreland City Council	UDV	25.51	63	Hepburn Shire Council	RAV	1 019.23		
64	Banyule City Council	UDV	22.92	64	Indigo Shire Council	RAV	1 017.09		
65	City of Darebin	UDV	21.15	65	Pyrenees Shire Council	RAL	1 015.60		
66	Mornington Peninsula Shire Council	UFV	21.05	66	Campaspe Shire Council	URM	969.00		
67	Hobsons Bay City Council	UDL	20.55	67	Shire of Strathbogie	RAL	946.14		
67	Bayside City Council	UDL	20.55	68	Ararat Rural City Council	RAV	918.34		
67	City of Port Phillip	UDL	20.55	69	Central Goldfields Shire Council	RAV	884.51		

Victoria councils ranked by grant funding 2017–18 (continued)

Victoria councils ranked by funding per capita					Victoria councils ranked by funding per kilometre				
General purpose grant					Local road grant				
Rank	Council Name	Classification	\$ per capita	Rank	Council Name	Classification	\$ per km		
67	City of Glen Eira	UDV	20.55	70	Gannawarra Shire Council	RAV	858.39		
67	City of Boroondara	UDV	20.55	71	Northern Grampians Shire Council	RAV	795.92		
67	Stonnington City Council	UDL	20.55	72	West Wimmera Shire Council	RAM	795.70		
67	Moonee Valley City Council	UDL	20.55	73	Mildura Rural City Council	URM	766.76		
67	Whitehorse City Council	UDV	20.55	74	Loddon Shire Council	RAL	748.50		
67	Monash City Council	UDV	20.55	75	Horsham Rural City Council	RAV	712.51		
67	Kingston City Council	UDV	20.55	76	Swan Hill Rural City Council	URS	597.76		
67	Manningham City Council	UDL	20.55	77	Hindmarsh Shire Council	RAL	494.60		
67	Melbourne City Council (City of Melbourne)	UCC	20.55	78	Buloke Shire Council	RAL	447.39		
67	Yarra City Council	UDL	20.55	79	Yarriambiack Shire Council	RAL	403.18		

Table 50 Queensland councils ranked by grant funding 2017 – 18

Queensland councils ranked by funding per capita					Queensland councils ranked by funding per kilometre				
General purpose grant					Local road grant				
Rank	Council Name	Classification	\$ per capita	Rank	Council Name	Classification	\$ per km		
	State average		67.92		State average		913.27		
1	Bulloo Shire Council	RTS	13 556.39	1	Brisbane City Council	UCC	2 749.15		
2	Croydon Shire Council	RTX	9 270.59	2	Gold Coast City Council	URV	2 408.17		
3	Diamantina Shire Council	RTX	8 880.63	3	Redland City Council	URV	2 018.32		
4	Barcoo Shire Council	RTX	7 977.56	4	Logan City Council	URV	1 950.91		
5	Boulia Shire Council	RTS	4 699.53	5	Cairns Regional Council	URV	1 852.09		
6	Burke Shire Council	RTS	4 576.72	6	Moreton Bay Regional Council	URV	1 825.38		
7	Etheridge Shire Council	RTS	4 248.73	7	Ipswich City Council	URV	1 762.34		
8	Mackinlay Shire Council	RTM	4 174.19	8	Townsville City Council	URV	1 755.11		
9	Quilpie Shire Council	RTS	4 022.79	9	Sunshine Coast Regional Council	URV	1 606.10		
10	Mapoon Aboriginal Council	RTX	3 668.79	10	Palm Island Aboriginal Council	RTM	1 254.52		
11	Richmond Shire Council	RTS	3 587.31	11	Noosa Shire Council	URM	1 223.86		
12	Winton Shire Council	RTM	3 060.15	12	Mackay Regional Council	URV	1 095.35		
13	Flinders Shire Council	RTM	2 959.84	13	Yarrabah Aboriginal Shire Council	RTM	1 073.94		
14	Lockhart River Aboriginal Shire Council	RTS	2 799.17	14	Rockhampton Regional Council	URL	1 010.38		
15	Torres Strait Island Regional Council	RTL	2 257.42	15	Fraser Coast Regional Council	URL	995.85		
16	Paroo Shire Council	RTM	2 164.51	16	Douglas Shire Council	RAV	907.21		
17	Pompuraaw Aboriginal Shire Council	RTS	1 794.59	17	Bundaberg Regional Council	URL	899.92		
18	Cook Shire Council	RAM	1 763.92	18	Lockyer Valley Regional Council	URM	862.52		
19	Morrington Shire Council	RTM	1 750.47	19	Livingstone Shire Council	UFM	848.50		
20	Barcaldine Regional Council	RTL	1 661.17	20	Gladstone Regional Council	URM	841.09		
21	Carpentaria Shire Council	RTM	1 622.75	21	Toowoomba Regional Council	URV	834.36		
22	Wujal Wujal Aboriginal Council	RTX	1 547.59	22	Cassowary Coast Regional Council	URS	822.00		

Queensland councils ranked by grant funding 2017–18 (continued)

Queensland councils ranked by funding per capita				
General purpose grant				
Rank	Council Name	Classification	\$ per capita	
23	Northern Peninsula Area Regional Council	RTM	1 389.86	
24	Longreach Regional Council	RTL	1 360.85	
25	Cloncurry Shire Council	RAM	1 358.45	
26	Blackall-Tambo Regional Council	RTM	1 326.59	
27	Aurukun Shire Council	RTM	1 321.89	
28	Kowanyama Aboriginal Shire Council	RTM	1 263.69	
29	Murweh Shire Council	RTL	1 132.82	
30	Napranum Aboriginal Shire Council	RTS	1 092.49	
31	Maranoa Regional Council	RAV	980.62	
32	Doomadgee Aboriginal Community Council	RTM	902.33	
33	North Burnett Regional Council	RAV	875.84	
34	Hope Vale Aboriginal Shire Council	RTM	859.28	
35	Torres Shire Council	RTL	843.33	
36	Balonne Shire Council	RAM	791.17	
37	Woorabinda Aboriginal Council	RTM	508.17	
38	Cherbourg Aboriginal Shire Council	RTM	443.00	
39	Palm Island Aboriginal Council	RTM	442.09	
40	Goondiwindi Regional Council	RAV	402.45	
41	Western Downs Regional Council	URM	367.24	
42	Banana Shire Council	RAV	337.01	
43	Yarrabah Aboriginal Shire Council	RTM	329.66	
44	Charters Towers Regional Council	RAV	319.54	
45	Mareeba Shire Council	URS	248.00	

Queensland councils ranked by funding per kilometre				
Local road grant				
Rank	Council Name	Classification	\$ per km	
23	Scenic Rim Regional Council	UFM	810.69	
24	Gympie Regional Council	URM	799.81	
25	Whitsunday Regional Council	URM	768.71	
26	Cherbourg Aboriginal Shire Council	RTM	764.91	
27	Woorabinda Aboriginal Council	RTM	761.84	
28	Aurukun Shire Council	RTM	752.65	
29	Wujal Wujal Aboriginal Council	RTX	750.72	
30	Hinchinbrook Shire Council	RAV	742.77	
31	Burdekin Shire Council	RAV	735.19	
32	Tablelands Regional Council	URS	716.11	
33	Somerset Regional Council	UFS	709.13	
34	Torres Strait Island Regional Council	RTL	705.93	
35	Doomadgee Aboriginal Community Council	RTM	705.05	
36	Torres Shire Council	RTL	703.05	
37	Southern Downs Regional Council	URM	696.54	
38	Mount Isa City Council	URS	687.24	
39	South Burnett Regional Council	URM	678.07	
40	Mareeba Shire Council	URS	673.88	
41	Hope Vale Aboriginal Shire Council	RTM	666.05	
42	Mornington Shire Council	RTM	655.93	
43	Northern Peninsula Area Regional Council	RTM	654.46	
44	Isaac Regional Council	URS	651.10	
45	Central Highlands Regional Council	URM	644.88	

Queensland councils ranked by grant funding 2017-18 (continued)

Queensland councils ranked by funding per capita			
General purpose grant			
Rank	Council Name	Classification	\$ per capita
46	Mount Isa City Council	URS	206.93
47	Central Highlands Regional Council	URM	194.78
48	Tablelands Regional Council	URS	180.65
49	Burdekin Shire Council	RAV	156.62
50	South Burnett Regional Council	URM	138.60
51	Hinchinbrook Shire Council	RAV	131.47
52	Southern Downs Regional Council	URM	126.84
53	Isaac Regional Council	URS	123.77
54	Whitsunday Regional Council	URM	104.95
55	Cassowary Coast Regional Council	URS	86.35
56	Douglas Shire Council	RAV	85.86
57	Somerset Regional Council	UFS	83.67
58	Lockyer Valley Regional Council	URM	75.85
59	Gladstone Regional Council	URM	75.49
60	Gympie Regional Council	URM	68.36
61	Rockhampton Regional Council	URL	67.77
62	Livingstone Shire Council	UFM	66.36
63	Bundaberg Regional Council	URL	56.43
64	Toowoomba Regional Council	URV	49.51
65	Fraser Coast Regional Council	URL	43.10
66	Scenic Rim Regional Council	UFM	38.88
67	Mackay Regional Council	URV	27.92
68	Brisbane City Council	UCC	20.38

Queensland councils ranked by funding per kilometre

Local road grant			
Rank	Council Name	Classification	\$ per km
46	Napranam Aboriginal Shire Council	RTS	633.71
47	Mapoon Aboriginal Council	RTX	629.44
48	Western Downs Regional Council	URM	621.21
49	Goondiwindi Regional Council	RAV	620.50
50	Banana Shire Council	RAV	613.85
51	Charters Towers Regional Council	RAV	613.74
52	Kowanyama Aboriginal Shire Council	RTM	608.61
53	Lockhart River Aboriginal Shire Council	RTS	608.25
54	North Burnett Regional Council	RAV	599.75
55	Maranoa Regional Council	RAV	598.48
56	Cloncurry Shire Council	RAM	596.24
57	Balonne Shire Council	RAM	592.98
58	Murweh Shire Council	RTL	590.95
59	Cook Shire Council	RAM	590.09
60	Longreach Regional Council	RTL	589.51
61	Carpentaria Shire Council	RTM	588.60
62	Pormpuraaw Aboriginal Shire Council	RTS	588.00
63	Blackall-Tambo Regional Council	RTM	586.19
64	Barcardine Regional Council	RTL	585.33
65	Flinders Shire Council	RTM	583.28
66	Paroo Shire Council	RTM	582.34
67	Burke Shire Council	RTS	582.29
68	Mackinlay Shire Council	RTM	580.70

Queensland councils ranked by grant funding 2017–18 (continued)

Queensland councils ranked by funding per kilometre				
Local road grant				
Rank	Council Name	Classification	\$ per km	
69	Richmond Shire Council	RTS	580.62	
70	Etheridge Shire Council	RTS	579.60	
71	Winton Shire Council	RTM	579.60	
72	Quilpie Shire Council	RTS	578.64	
73	Boulia Shire Council	RTS	577.75	
74	Croydon Shire Council	RTX	577.18	
75	Diamantina Shire Council	RTX	576.75	
76	Barcoo Shire Council	RTX	576.17	
77	Bulloo Shire Council	RTS	576.03	

Queensland councils ranked by funding per capita				
General purpose grant				
Rank	Council Name	Classification	\$ per capita	
68	Cairns Regional Council	URV	20.38	
68	Gold Coast City Council	URV	20.38	
68	Ipswich City Council	URV	20.38	
68	Logan City Council	URV	20.38	
68	Moreton Bay Regional Council	URV	20.38	
68	Noosa Shire Council	URM	20.38	
68	Redland City Council	URV	20.38	
68	Sunshine Coast Regional Council	URV	20.38	
68	Townsville City Council	URV	20.38	

Table 51 Western Australian councils ranked by grant funding 2017 – 18

Western Australian councils ranked by grant funding 2017 – 18				Western Australian councils ranked by funding per kilometre			
General purpose grant				Local road grant			
Rank	Council Name	Classification	\$ per capita	Rank	Council Name	Classification	\$ per km
	State average		67.42		State average		869.35
1	Shire of Murchison	RTX	25 033.53	1	City of Perth	UGC	4 055.61
2	Shire of Sandstone	RTX	15 369.53	2	Shire of Dardanup	RSG	3 102.24
3	Shire of Upper Gascoyne	RTX	10 414.01	3	City of Bunbury	URM	2 659.95
4	Shire of Cue	RTX	5 249.86	4	City of Canning	UDL	2 533.98
5	Shire of Menzies	RTS	4 878.34	5	City of Vincent	UDM	2 452.56
6	Shire of Yalgoo	RTS	4 683.87	6	City of Belmont	UDM	2 309.09
7	Shire of Nungarin	RAS	4 429.40	7	City of Fremantle	UDM	2 231.26
8	Shire of Trayning	RAS	3 444.57	8	City of Bayswater	UDL	2 217.64
9	Shire of Mount Marshall	RAS	3 305.39	9	Shire of Peppermint Grove	UDS	2 211.59
10	Shire of Westonia	RAS	3 015.44	10	Town of Bassendean	UDS	2 208.59
11	Shire of Koorda	RAS	2 874.85	11	City of Mandurah	UFL	2 194.86
12	Shire of Mukinbudin	RAS	2 541.94	12	Town of Claremont	UDS	2 183.50
13	Shire of Ngaanyatjaraku	RTM	2 458.84	13	Town of Victoria Park	UDM	2 178.81
14	Shire of Mount Magnet	RTS	2 264.97	14	Town of Cambridge	UDS	2 173.39
15	Shire of Wyalkatchem	RAS	2 025.81	15	Town of Cottesloe	UDS	2 156.18
16	Shire of Tammin	RAS	1 925.35	16	City of Gosnells	UDV	2 130.38
17	Shire of Meekatharra	RTM	1 877.16	17	City of South Perth	UDM	2 112.14
18	Shire of Bruce Rock	RAS	1 706.19	18	City of Joondalup	UDV	2 110.69
19	Shire of Dumbleyung	RAS	1 704.19	19	City of Stirling	UDV	2 066.64
20	Shire of Carnamah	RAS	1 664.13	20	City of Melville	UDL	2 058.33
21	Shire of Wiluna	RTM	1 588.93	21	Town of East Fremantle	UDS	1 983.70
22	Shire of Shark Bay	RTS	1 560.16	22	City of Subiaco	UDS	1 961.36
23	Shire of Narembeen	RAS	1 547.78	23	Shire of Harvey	URS	1 943.93

Western Australia councils ranked by grant funding 2017–18 (continued)

Western Australia councils ranked by funding per capita					Western Australia councils ranked by funding per kilometre				
General purpose grant					Local road grant				
Rank	Council Name	Classification	\$ per capita		Rank	Council Name	Classification	\$ per km	
24	Shire of Wickiepin	RAS	1 431.60		24	City of Nedlands	UDS	1 923.52	
25	Shire of Laverton	RTM	1 374.85		25	City of Swan	UFV	1 913.48	
26	Shire of Dowerin	RAS	1 300.33		26	City of Wanneroo	UFV	1 899.71	
27	Shire of Woodanilling	RAS	1 283.59		27	City of Cockburn	UDL	1 895.20	
28	Shire of Perenjori	RAS	1 254.89		28	City of Armadale	UFL	1 844.14	
29	Shire of Kent	RAS	1 240.63		29	City of Rockingham	UFV	1 840.14	
30	Shire of Kulin	RAS	1 227.63		30	Shire of Mingenew	RAS	1 804.01	
31	Shire of Dalwallinu	RAS	1 198.95		31	City of Kwinana	UFM	1 795.04	
32	Shire of Morawa	RAS	1 197.49		32	City of Kalamunda	UFM	1 776.52	
33	Shire of Quairading	RAS	1 154.23		33	Town of Mosman Park	UDS	1 613.97	
34	Shire of Kellerberrin	RAS	1 125.82		34	Town of Port Hedland	RTL	1 587.73	
35	Shire of Broomehill-Tambellup	RAS	1 066.96		35	Shire of Broome	RTL	1 576.30	
36	Shire of Dundas	RTM	1 032.65		36	Shire of Mundaring	UFM	1 537.20	
37	Shire of Corrigin	RAS	1 014.05		37	Shire of Collie	RAL	1 497.61	
38	Shire of Kondinin	RAS	983.23		38	Shire of Boddington	RAM	1 481.96	
39	Shire of Three Springs	RAS	941.90		39	City of Karratha	URS	1 457.24	
40	Shire of Halls Creek	RTL	886.28		40	Shire of Exmouth	RTM	1 436.44	
41	Shire of Lake Grace	RAS	858.71		41	Shire of Bridgetown Greenbushes	RAM	1 367.52	
42	Shire of Coorow	RAS	845.33		42	City of Busselton	URM	1 343.73	
43	Shire of Wongan-Ballidu	RAS	826.83		43	Shire of Serpentine Jarrahdale	UFS	1 342.29	
44	Shire of Pingelly	RAS	727.75		44	Shire of Murray	RSG	1 298.54	
45	Shire of Cranbrook	RAS	679.26		45	Shire of Broomehill-Tambellup	RAS	1 256.58	
46	Shire of Cunderdin	RAS	673.31		46	City of Kalgoorlie-Boulder	URM	1 219.89	
47	Shire of Nannup	RAS	668.06		47	Shire of Capel	URS	1 198.99	

Western Australia councils ranked by grant funding 2017-18 (continued)

Western Australia councils ranked by funding per capita				Western Australia councils ranked by funding per kilometre			
General purpose grant				Local road grant			
Rank	Council Name	Classification	\$ per capita	Rank	Council Name	Classification	\$ per km
48	Shire of Cuballing	RAS	651.67	48	Shire of Augusta Margaret River	RSG	1 196.22
49	Shire of Wandering	RAS	643.69	49	Shire of West Arthur	RAS	1 192.73
50	Shire of Brookton	RAS	629.20	50	Shire of Wyndham East Kimberley	RTL	1 142.42
51	Shire of Carnarvon	RAL	620.39	51	Shire of Waroona	RAM	1 139.28
52	Shire of Mingenew	RAS	607.39	52	Shire of Manjimup	RAL	1 121.47
53	Shire of Jerramungup	RAS	606.53	53	City of Albany	URM	1 111.33
54	Shire of Exmouth	RTM	573.17	54	Shire of Donnybrook Balingup	RAL	1 054.11
55	Shire of Yilgarn	RAS	561.79	55	Shire of Northam	RAV	1 026.32
56	Shire of Gnowangerup	RAS	555.99	56	Shire of Chittering	RSG	1 014.07
57	Shire of Victoria Plains	RAS	539.20	57	Shire of Gingin	RSG	965.85
58	Shire of Beverley	RAS	531.76	58	Shire of Nannup	RAS	959.87
59	Shire of West Arthur	RAS	501.84	59	City of Greater Geraldton	URM	952.14
60	Shire of Derby West Kimberley	RTL	489.79	60	Shire of Ngaanyatjaraku	RTM	921.79
61	Shire of Wagin	RAS	486.09	61	Shire of York	RAM	908.65
62	Shire of Ravensthorpe	RAM	481.71	62	Shire of Pingelly	RAS	901.75
63	Shire of Merredin	RAM	466.20	63	Shire of Toodyay	RAM	862.71
64	Shire of Kojoonup	RAM	402.05	64	Shire of Carnarvon	RAL	817.50
65	Shire of Goomalling	RAS	388.51	65	Shire of Beverley	RAS	801.23
66	Shire of Katanning	RAM	354.36	66	Shire of Shark Bay	RTS	778.89
67	Shire of Boyup Brook	RAS	338.94	67	Shire of Moora	RAM	772.66
68	Shire of Moora	RAM	331.76	68	Shire of East Pilbara	RTL	769.79
69	Shire of Wyndham East Kimberley	RTL	329.18	69	Shire of Denmark	RAL	759.71
70	Shire of Narrogin	URS	324.83	70	Shire of Irwin	RAM	738.14
71	Shire of Manjimup	RAL	298.81	71	Shire of Carnamah	RAS	736.11

Western Australia councils ranked by grant funding 2017–18 (continued)

Western Australia councils ranked by funding per capita					Western Australia councils ranked by funding per kilometre				
General purpose grant					Local road grant				
Rank	Council Name	Classification	\$ per capita		Rank	Council Name	Classification	\$ per km	
72	Shire of Chapman Valley	RAS	294.96		72	Shire of Narrogin	URS	718.61	
73	Shire of Ashburton	RTL	291.34		73	Shire of Dandaragan	RAM	711.64	
74	Shire of Bridgetown Greenbushes	RAM	265.90		74	Shire of Halls Creek	RTL	703.17	
75	Shire of Leonora	RTM	263.77		75	Shire of Katanning	RAM	687.17	
76	Shire of Northampton	RAM	258.41		76	Shire of Plantagenet	RAL	660.82	
77	Shire of York	RAM	250.56		77	Shire of Derby West Kimberley	RTL	660.66	
78	Shire of Dandaragan	RAM	232.78		78	Shire of Esperance	RAV	655.54	
79	Shire of Waroona	RAM	228.55		79	Shire of Ashburton	RTL	649.34	
80	Shire of Northam	RAV	228.32		80	Shire of Victoria Plains	RAS	647.79	
81	Shire of Donnybrook Balingup	RAL	216.91		81	Shire of Northampton	RAM	647.07	
82	Shire of Toodyay	RAM	213.80		82	Shire of Three Springs	RAS	643.37	
83	Shire of East Pilbara	RTL	201.27		83	Shire of Bruce Rock	RAS	640.45	
84	Shire of Gingin	RSG	164.83		84	Shire of Williams	RAAS	636.23	
85	Shire of Esperance	RAV	153.29		85	Shire of Merredin	RAM	635.80	
86	Shire of Plantagenet	RAL	149.02		86	Shire of Quairading	RAS	634.67	
87	Shire of Williams	RAS	147.45		87	Shire of Cunderdin	RAAS	633.24	
88	Shire of Chittering	RSG	144.80		88	Shire of Boyup Brook	RAS	631.43	
89	Shire of Coolgardie	RTL	136.53		89	Shire of Wandering	RAS	630.16	
90	Shire of Collie	RAL	126.89		90	Shire of Coorow	RAS	629.27	
91	Shire of Broome	RTL	112.01		91	Shire of Corrigin	RAS	629.19	
92	Shire of Denmark	RAL	99.49		92	Shire of Brookton	RAS	629.03	
93	City of Greater Geraldton	URM	94.18		93	Shire of Cranbrook	RAS	611.78	
94	Shire of Dardanup	RSG	63.36		94	Shire of Gnowangerup	RAAS	609.59	
95	Shire of Serpentine Jarrahdale	UFS	62.50		95	Shire of Goomalling	RAS	606.38	

Western Australia councils ranked by grant funding 2017-18 (continued)

Western Australia councils ranked by funding per capita					Western Australia councils ranked by funding per kilometre				
General purpose grant					Local road grant				
Rank	Council Name	Classification	\$ per capita		Rank	Council Name	Classification	\$ per km	
96	Town of Port Hedland	RTL	62.45		96	Shire of Wyalkatchem	RAS	600.20	
97	Shire of Harvey	URS	60.84		97	Shire of Trayning	RAS	596.20	
98	Shire of Capel	URS	60.43		98	Shire of Ravensthorpe	RAM	593.47	
99	City of Albany	URM	57.98		99	Shire of Coolgardie	RTL	592.49	
100	Shire of Murray	RSG	52.19		100	Shire of Kellerberrin	RAS	591.27	
101	Shire of Boddington	RAM	50.48		101	Shire of Wongan-Ballidu	RAS	588.96	
102	Shire of Irwin	RAM	48.94		102	Shire of Kojoonup	RAM	585.63	
103	City of Karratha	URS	48.90		103	Shire of Wagin	RAS	585.55	
104	Shire of Mundaring	UFM	32.06		104	Shire of Nungarin	RAS	582.64	
105	City of Kalgoorlie-Boulder	URM	24.53		105	Shire of Chapman Valley	RAS	582.39	
106	City of Perth	UCC	20.27		106	Shire of Kondinin	RAS	581.68	
107	City of Armadale	UFL	20.18		107	Shire of Dumbleyung	RAS	580.22	
107	City of Bayswater	UDL	20.18		108	Shire of Cuballing	RAAS	580.11	
107	City of Belmont	UDM	20.18		109	Shire of Dalwallinu	RAS	578.89	
107	City of Bunbury	URM	20.18		110	Shire of Koorda	RAS	578.03	
107	City of Busselton	URM	20.18		111	Shire of Wickiepin	RAS	577.02	
107	City of Canning	UDL	20.18		112	Shire of Woodanilling	RAS	575.32	
107	City of Cockburn	UDL	20.18		113	Shire of Mukinbudin	RAS	572.65	
107	City of Fremantle	UDM	20.18		114	Shire of Dundas	RTM	571.78	
107	City of Gosnells	UDV	20.18		115	Shire of Perenjori	RAS	571.57	
107	City of Joondalup	UDV	20.18		116	Shire of Kulin	RAS	571.34	
107	City of Kwinana	UFM	20.18		117	Shire of Cue	RTX	570.24	
107	City of Mandurah	UFL	20.18		118	Shire of Morawa	RAAS	568.23	
107	City of Melville	UDL	20.18		119	Shire of Jerramungup	RAS	567.04	

Western Australia councils ranked by grant funding 2017–18 (continued)

Western Australia councils ranked by funding per capita					Western Australia councils ranked by funding per kilometre				
General purpose grant					Local road grant				
Rank	Council Name	Classification	\$ per capita		Rank	Council Name	Classification	\$ per km	
107	City of Nedlands	UDS	20.18		120	Shire of Tammin	RAS	566.47	
107	City of Rockingham	UFV	20.18		121	Shire of Dowerin	RAS	565.45	
107	City of South Perth	UDM	20.18		122	Shire of Westonia	RAS	564.16	
107	City of Stirling	UDV	20.18		123	Shire of Lake Grace	RAS	554.17	
107	City of Swan	UFV	20.18		124	Shire of Narembeem	RAS	553.81	
107	City of Vincent	UDM	20.18		125	Shire of Kent	RAS	538.47	
107	City of Wanneroo	UFV	20.18		126	Shire of Mount Magnet	RTS	536.51	
107	Shire of Augusta Margaret River	RSG	20.18		127	Shire of Upper Gascoyne	RTX	530.13	
107	City of Kalamunda	UFM	20.18		128	Shire of Murchison	RTX	527.09	
107	Shire of Peppermint Grove	UDS	20.18		129	Shire of Mount Marshall	RAS	508.76	
107	Town of Bassendean	UDS	20.18		130	Shire of Yilgarn	RAS	504.44	
107	Town of Cambridge	UDS	20.18		131	Shire of Leonora	RTM	501.58	
107	Town of Claremont	UDS	20.18		132	Shire of Meekatharra	RTM	497.62	
107	Town of Cottesloe	UDS	20.18		133	Shire of Yalgoo	RTS	494.95	
107	Town of East Fremantle	UDS	20.18		134	Shire of Sandstone	RTX	477.28	
107	Town of Mosman Park	UDS	20.18		135	Shire of Wiluna	RTM	451.72	
107	Town of Victoria Park	UDM	20.18		136	Shire of Menzies	RTS	435.14	
107	City of Subiaco	UDS	20.18		137	Shire of Laverton	RTM	199.08	

Western Australia councils ranked by grant funding 2017-18 (continued)
 Table 52 South Australian councils ranked by grant funding 2017-18

South Australia councils ranked by funding per kilometre				
Local road grant				
Rank	Council Name	Classification	State average	\$ per km
1	City of West Torrens	UDM	511.37	6 941.35
2	City of Mitcham	UDM	2 558.13	2 558.13
3	City of Prospect	UDS	2 348.14	2 348.14
4	Corporation of the City of Unley	UDM	2 314.71	2 314.71
5	Corporation of the City of Norwood Payneham & St Peters	UDM	2 279.47	2 279.47
6	City of Port Adelaide Enfield	UDV	2 236.85	2 236.85
7	Corporation of the Town of Walkerville	UDS	2 192.28	2 192.28
8	City of Holdfast Bay	UDM	2 186.48	2 186.48
9	City of Charles Sturt	UDL	2 143.70	2 143.70
10	Corporation of the City of Campbelltown	UDM	2 108.24	2 108.24
11	Municipal Council of Roxby Downs	URS	2 047.11	2 047.11
12	City of Burnside	UDM	2 045.49	2 045.49
13	The Corporation of the City of Adelaide	UCC	2 027.37	2 027.37
14	Corporation of the City of Marion	UDL	2 023.68	2 023.68
15	City of Salisbury	UDV	1 912.74	1 912.74
16	Corporation of the City of Tea Tree Gully	UDL	1 885.57	1 885.57
17	City of Victor Harbor	URS	1 869.55	1 869.55
18	City of Mount Gambier	URS	1 758.16	1 758.16
19	Town of Gawler	UFS	1 601.92	1 601.92
20	City of Onkaparinga	UFV	1 594.42	1 594.42
21	City of Playford	UFL	1 552.45	1 552.45

South Australia councils ranked by funding per capita				
General purpose grant				
Rank	Council Name	Classification	\$ per capita	State average
1	Maralinga Tjarutja	RTX	68.14	1 275.97
2	District Council of Karoonda East Murray	RAS	1 198.43	1 198.43
3	District Council of Orroroo Carrieton	RAS	1 116.83	1 116.83
4	Wudinna District Council	RAS	951.82	951.82
5	District Council of Kimba	RAS	900.28	900.28
6	District Council of Franklin Harbour	RAS	841.71	841.71
7	District Council of Peterborough	RAS	770.54	770.54
8	The Flinders Ranges Council	RAS	752.29	752.29
9	District Council of Elliston	RAS	681.59	681.59
10	District Council of Streaky Bay	RAM	636.62	636.62
11	Regional Council of Goyder	RAM	621.72	621.72
12	District Council of Cleve	RAS	588.38	588.38
13	District Council of Mount Remarkable	RAM	587.54	587.54
14	Yalata Anangu Aboriginal Corporation	RTX	556.95	556.95
15	Southern Mallee District Council	RAM	547.62	547.62
16	District Council of Ceduna	RAM	538.86	538.86
17	District Council of Coober Pedy	URS	454.69	454.69
18	Coorong District Council	RAL	430.29	430.29
19	Anangu Pitjantjatjara Inc	RTM	423.22	423.22
20	Tatiara District Council	RAL	407.76	407.76
21	Outback Communities Authority	RTL	403.26	403.26

South Australia councils ranked by funding per capita				South Australia councils ranked by funding per kilometre			
General purpose grant				Local road grant			
Rank	Council Name	Classification	\$ per capita	Rank	Council Name	Classification	\$ per km
22	Nipapantha Community Incorporated	RTX	391.75	22	City of Port Lincoln	URS	1 442.34
23	Mid Murray Council	RAL	368.43	23	Corporation of the City of Whyalla	URS	1 392.43
24	Kangaroo Island Council	RAM	346.22	24	District Council of Elliston	RAS	1 125.80
25	Northern Areas Council	RAM	312.93	25	District Council of Robe	RAS	812.44
26	District Council of Loxton Waikerie	RAV	310.19	26	District Council of Mount Barker	URM	737.69
27	Naracoorte Lucindale Council	RAL	302.26	27	Adelaide Hills Council	UFM	703.79
28	Wakefield Regional Council	RAL	278.96	28	Corporation of the City of Port Augusta	URS	702.47
29	Renmark Paringa Council	RAL	273.64	29	Yalata Anangu Aboriginal Corporation	RTX	674.00
30	Port Pirie Regional Council	RAV	234.01	30	Port Pirie Regional Council	RAV	633.15
31	Berri Barmera Council	RAV	228.75	31	Mid Murray Council	RAL	533.37
32	Kingston District Council	RAM	224.46	32	Rural City of Murray Bridge	URS	491.52
33	Gerard Reserve Council Inc	RTX	204.47	33	The Barossa Council	UFS	478.11
34	District Council of Tumby Bay	RAM	197.55	34	Renmark Paringa Council	RAL	447.81
35	Wattle Range Council	RAV	197.30	35	Berri Barmera Council	RAV	447.47
36	Corporation of the City of Port Augusta	URS	183.34	36	Tatiara District Council	RAL	430.90
37	Corporation of the City of Whyalla	URS	172.99	37	Alexandrina Council	UFS	426.04
38	Rural City of Murray Bridge	URS	160.83	38	District Council of Ororoo Carrieton	RAS	411.53
39	Barunga West Council	RAM	139.77	39	Coorong District Council	RAL	349.91
40	District Council of Grant	RAL	135.71	40	Copper Coast Council	RAV	340.93
41	Yorke Peninsula Council	RAV	129.22	41	Kingston District Council	RAM	338.21
42	Adelaide Plains Council	RAL	128.73	42	District Council of Loxton Waikerie	RAV	317.02
43	City of Playford	UFL	103.48	43	District Council of Lower Eyre Peninsula	RAL	306.54
44	Copper Coast Council	RAV	99.77	44	Southern Mallee District Council	RAM	301.89
45	City of Mount Gambier	URS	92.43	45	Naracoorte Lucindale Council	RAL	298.70

South Australia councils ranked by grant funding 2017-18 (continued)

South Australia councils ranked by funding per capita					South Australia councils ranked by funding per kilometre				
General purpose grant					Local road grant				
Rank	Council Name	Classification	\$ per capita	Rank	Council Name	Classification	\$ per km		
46	District Council of Lower Eyre Peninsula	RAL	91.97	46	Kangaroo Island Council	RAM	292.06		
47	City of Port Lincoln	URS	80.98	47	Light Regional Council	RAV	287.80		
48	Clare & Gilbert Valleys Council	RAL	70.93	48	District Council of Yankaililla	RAM	282.50		
49	Town of Gawler	UFS	55.95	49	Clare & Gilbert Valleys Council	RAL	279.98		
50	City of Salisbury	UDV	45.32	50	District Council of Franklin Harbour	RAS	276.49		
51	City of Onkaparinga	UFV	30.75	51	Wattle Range Council	RAV	271.91		
52	Alexandrina Council	UFS	28.51	52	District Council of Streaky Bay	RAM	267.52		
53	The Barossa Council	UFS	26.82	53	Adelaide Plains Council	RAL	264.29		
54	District Council of Yankaililla	RAM	26.31	54	District Council of Karoonda East Murray	RAS	260.91		
55	Municipal Council of Roxby Downs	URS	23.30	55	District Council of Ceduna	RAM	258.86		
56	Light Regional Council	RAV	22.58	56	District Council of Cleve	RAS	255.53		
57	District Council of Mount Barker	URM	21.92	57	District Council of Tumby Bay	RAM	236.92		
58	Adelaide Hills Council	UFM	20.33	58	The Flinders Ranges Council	RAS	236.54		
58	City of Burnside	UDM	20.33	59	Wudinna District Council	RAS	234.70		
58	City of Charles Sturt	UDL	20.33	60	District Council of Grant	RAL	214.89		
58	City of Holdfast Bay	UDM	20.33	61	Barunga West Council	RAM	208.42		
58	City of Mitcham	UDM	20.33	62	Regional Council of Goyder	RAM	208.02		
58	City of Port Adelaide Enfield	UDV	20.33	63	Yorke Peninsula Council	RAV	207.79		
58	City of Prospect	UDS	20.33	64	District Council of Peterborough	RAS	198.74		
58	City of Victor Harbor	URS	20.33	65	Wakefield Regional Council	RAL	197.37		
58	City of West Torrens	UDM	20.33	66	Northern Areas Council	RAM	182.00		
58	Corporation of the City of Campbelltown	UDM	20.33	67	District Council of Mount Remarkable	RAM	176.53		
58	Corporation of the City of Marion	UDL	20.33	68	District Council of Kimba	RAS	176.48		

South Australia councils ranked by grant funding 2017–18 (continued)

South Australia councils ranked by funding per capita					South Australia councils ranked by funding per kilometre				
General purpose grant					Local road grant				
Rank	Council Name	Classification	\$ per capita		Rank	Council Name	Classification	\$ per km	
58	Corporation of the City of Norwood Payneham & St Peters	UDM	20.33		69	District Council of Coober Pedy	URS	108.46	
58	Corporation of the City of Tea Tree Gully	UDL	20.33		70	Anangu Pitjantjatjara Inc	RTM	47.19	
58	Corporation of the City of Unley	UDM	20.33		71	Gerard Reserve Council Inc	RTX	0.00	
58	Corporation of the Town of Walkerville	UDS	20.33		71	Maralinga Tjarutja	RTX	0.00	
58	District Council of Robe	RAS	20.33		71	Nipapanha Community Incorporated	RTX	0.00	
58	The Corporation of the City of Adelaide	UCC	20.33		71	Outback Communities Authority	RTL	0.00	

South Australia councils ranked by grant funding 2017-18 (continued)
 Table 53 Tasmanian councils ranked by grant funding 2017-18

Tasmania councils ranked by funding per kilometre			
Local road grant			
Rank	Council Name	Classification	\$ per km
State average			
1	Hobart City Council	UCC	2 722.80
2	Glenorchy City Council	UFM	5 295.72
3	Devonport City Council	URS	4 414.12
4	Launceston City Council	URM	4 239.23
5	Clarence City Council	UFM	3 795.98
6	Burnie City Council	URS	3 341.19
7	West Coast Council	RAM	3 331.92
8	Brighton Council	URS	3 314.21
9	George Town Council	RAL	3 159.70
10	Break O'Day Council	RAL	2 878.43
11	Central Coast Council	URS	2 803.90
12	Derwent Valley Council	RAL	2 738.84
13	Sorell Council	RAV	2 706.36
14	West Tamar Council	UFS	2 691.05
15	Kingborough Council	UFM	2 640.91
16	Dorset Council	RAL	2 624.31
17	Glamorgan Spring Bay Council	RAM	2 591.12
18	Latrobe Council	RAV	2 573.02
19	Meander Valley Council	RAV	2 559.59
20	Tasman Council	RAM	2 533.20
21	Waratah/Wynyard Council	RAV	2 511.33
			2 480.10

Tasmania councils ranked by funding per capita			
General purpose grant			
Rank	Council Name	Classification	\$ per capita
State average			
1	Flinders Council	RAS	67.75
2	King Island Council	RAS	777.27
3	Central Highlands Council	RAM	484.44
4	West Coast Council	RAM	397.85
5	Southern Midlands Council	RAL	289.35
6	Kentish Council	RAL	272.31
7	Dorset Council	RAL	234.73
8	Break O'Day Council	RAL	228.40
9	Tasman Council	RAM	202.32
10	Circular Head Council	RAL	192.66
11	George Town Council	RAL	153.06
12	Derwent Valley Council	RAL	143.55
13	Huon Valley Council	RAV	132.70
14	Waratah/Wynyard Council	RAV	122.48
15	Meander Valley Council	RAV	108.72
16	Central Coast Council	URS	107.48
17	Northern Midlands Council	RAV	92.73
18	West Tamar Council	UFS	84.55
19	Sorell Council	RAV	84.00
20	Latrobe Council	RAV	80.81
21	Glamorgan Spring Bay Council	RAM	71.96
			68.63

<i>Tasmania councils ranked by funding per capita</i>			
<i>General purpose grant</i>			
<i>Rank</i>	<i>Council Name</i>	<i>Classification</i>	<i>\$ per capita</i>
22	Brighton Council	URS	67.78
23	Burnie City Council	URS	56.96
24	Devonport City Council	URS	35.22
25	Clarence City Council	UFM	20.20
25	Glenorchy City Council	UFM	20.20
25	Hobart City Council	UCC	20.20
25	Kingborough Council	UFM	20.20
25	Launceston City Council	URM	20.20

<i>Tasmania councils ranked by funding per kilometre</i>			
<i>Local road grant</i>			
<i>Rank</i>	<i>Council Name</i>	<i>Classification</i>	<i>\$ per km</i>
22	Kentish Council	RAL	2 475.63
23	Circular Head Council	RAL	2 459.68
24	Northern Midlands Council	RAV	2 365.84
25	Huon Valley Council	RAV	2 231.09
26	King Island Council	RAS	2 212.58
27	Flinders Council	RAS	2 026.74
28	Southern Midlands Council	RAL	1 945.66
29	Central Highlands Council	RAM	1 892.01

Tasmania councils ranked by grant funding 2017-18 (continued)

Table 54 Northern Territory councils ranked by grant funding 2017-18

Northern Territory councils ranked by funding per kilometre			
Local road grant			
Rank	Council Name	Classification	\$ per km
State average			1 284.64
1	Alice Springs Town Council	URS	3 806.25
2	City of Darwin	UCC	3 479.98
3	Litchfield Council	RAV	3 464.02
4	Katherine Town Council	URS	3 316.55
5	City of Palmerston	UFS	3 230.18
6	Wagait Shire Council	RTX	3 188.82
7	Coomalie Community Government Council	RTM	2 532.33
8	Victoria Daly Regional Council	RTL	2 068.01
9	East Arnhem Regional Council	RTL	1 251.01
10	West Daly Regional Council	RTL	1 232.96
11	Tiwi Islands Regional Council	RTM	1 133.75
12	Roper Gulf Regional Council	RTL	1 114.71
13	West Arnhem Regional Council	RTL	947.70
14	Barkly Regional Council	RTL	798.91
15	Local Government Association of the Northern Territory Inc	N/A	715.55
16	MacDonnell Regional Council	RTL	627.23
17	Central Desert Regional Council	RTL	474.15
18	Belyuen Community Government Council	RTX	385.27

Northern Territory councils ranked by funding per capita			
General purpose grant			
Rank	Council Name	Classification	\$ per capita
State average			70.37
	Local Government Association of the Northern Territory Inc	N/A	
1	East Arnhem Regional Council	RTL	291.25
2	MacDonnell Regional Council	RTL	258.32
3	Roper Gulf Regional Council	RTL	253.37
4	Barkly Regional Council	RTL	224.37
5	Central Desert Regional Council	RTL	222.67
6	West Arnhem Regional Council	RTL	171.12
7	Victoria Daly Regional Council	RTL	159.33
8	West Daly Regional Council	RTL	146.39
9	Tiwi Islands Regional Council	RTM	145.24
10	Belyuen Community Government Council	RTX	133.04
11	Katherine Town Council	URS	56.45
12	Alice Springs Town Council	URS	26.01
13	City of Darwin	UCC	20.45
13	City of Palmerston	UFS	20.45
13	Coomalie Community Government Council	RTM	20.45
13	Litchfield Council	RAV	20.45
13	Wagait Shire Council	RTX	20.45



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 the 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 *Local Government (Financial Assistance) Act 1995* (Cth) (the Act). Therefore, bodies declared by the Australian Government 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 55 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 in the classification of councils in their state at the end of each financial year.

Table 55 Structure of the classification system

Step 1	Step 2	Step 3	Identifiers	Category
URBAN (U)				
Population more than 20 000;	CAPITAL CITY (CC)	Not applicable		UCC
OR	METROPOLITAN DEVELOPED (D)	SMALL (S)	up to 30 000	UDS
if population less than 20 000;	Part of an urban centre of more than 1 000 000 or population density more than 600 per square kilometre	MEDIUM (M)	30 001–70 000	UDM
EITHER		LARGE (L)	70 001–120 000	UDL
population density more than 30 persons per square kilometre	REGIONAL TOWNS/CITY (R)	VERY LARGE (V)	more than 120 000	UDV
OR 90 per cent or more of the local governing body population is urban.	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)	30 001–70 000	URM
		LARGE (L)	70 001–120 000	URL
		VERY LARGE (V)	more than 120 000	URV
	FRINGE (F)	SMALL (S)	up to 30 000	UFS
	A developing LGA on the margin of a developed or regional urban centre	MEDIUM (M)	30 001–70 000	UFM
		LARGE (L)	70 001–120 000	UFL
		VERY LARGE (V)	more than 120 000	UFV
RURAL (R)				
A local governing body with population less than 20 000	SIGNIFICANT GROWTH (SG)	Not applicable		RSG
AND	Average annual population growth more than three per cent, population more than 5000 and not remote			
population density less than 30 persons per square kilometre	AGRICULTURAL (A)	SMALL (S)	up to 2 000	RAS
AND		MEDIUM (M)	2 001–5 000	RAM
less than 90 per cent of local governing body is urban.		LARGE (L)	5 001–10 000	RAL
		VERY LARGE (V)	10 001–20 000	RAV
	REMOTE (T)	EXTRA SMALL (X)	up to 400	RTX
		SMALL (S)	401–1 000	RTS
		MEDIUM (M)	1 001–3 000	RTM
		LARGE (L)	3 001–20 000	RTL

Table 56 Categories of local governments by state at July 2017

<i>ACLG categories</i>	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>WA</i>	<i>SA</i>	<i>TAS</i>	<i>NT*</i>	<i>Australia</i>
Urban Capital City (UCC)	1	1	1	1	1	1	1	7
Urban Development Small (UDS)	1	0	0	9	2	0	0	12
Urban Development Medium (UDM)	5	0	0	6	7	0	0	18
Urban Development Large (UDL)	4	7	0	3	3	0	0	17
Urban Development Very Large (UDV)	14	15	0	3	2	0	0	34
Urban Regional Small (URS)	10	5	5	3	8	4	2	37
Urban Regional Medium (URM)	17	11	8	5	1	1	0	43
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	3	0	15
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	4	0	0	0	4
Rural Agricultural Small (RAS)	1	0	0	51	10	2	0	64
Rural Agricultural Medium (RAM)	13	1	1	10	10	4	0	39
Rural Agricultural Large (RAL)	22	7	0	7	11	6	0	53
Rural Agricultural Very Large (RAV)	19	17	8	3	7	7	1	62
Rural Remote Extra Small (RTX)	2	0	7	5	4	0	2	20
Rural Remote Small (RTS)	0	0	10	5	0	0	1	16
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

* NT total excludes Road Trust Account

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