



Australian Government

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

Local Government National Report 2020–21



2020–21 report on the
operation of the
Local Government
(Financial Assistance)
Act 1995



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Transmittal letter



Australian Government

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

**Secretary
Jim Betts**

EC22-001166

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

Dear Minister McBain

Tabling of the 2020-21 Local Government National Report

In accordance with Section 16 of the *Local Government (Financial Assistance) Act 1995* (the Act), I provide you with the 2020-21 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 that reads "Jim Betts".

Jim Betts

6 January 2023

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

During 2020–21, Australia had 546 local governing bodies eligible to receive funding under the Australian Government's Financial Assistance Grant program. The Act provides the legislative basis for this program. These 546 local governing bodies are:

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

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

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

Local government functions

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

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

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

Population

The estimated resident population of Australia at 30 June 2021 was 25,739,256, an increase of 46,000 persons or 0.2 per cent from 30 June 2020. All states and territories, except Victoria, experienced positive growth for the year ending 30 June 2021. Queensland recorded the highest growth rate (0.9 per cent) while Victoria recorded the lowest (negative 0.7 per cent).

The Australian Bureau of Statistics publishes information on Australia's population through its series, the [National, state and territory population | Australian Bureau of Statistics \(abs.gov.au\)](https://www.abs.gov.au/national-state-and-territory-population).

Diversity

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

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

Aboriginal and Torres Strait Islander councils

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

National representation of local government

In 2020–21, the interests of local government were represented by a number of state-based and national associations, like the Local Government Association of Queensland and the Australian Local Government Association, for example. Local government was also represented on the National Federation Reform Council.

National Federation Reform Council

On 29 May 2020, the then Prime Minister announced a new National Federation Reform Council (NFRC) to replace the Council of Australian Governments (COAG) meetings, with National Cabinet to remain at the centre of the NFRC. National Cabinet will focus specifically on job creation in response to the COVID-19 pandemic. The NFRC has been agreed to by Premiers, Chief Ministers and the Prime Minister.

The Council on Federal Financial Relations (CFFR), consisting of Commonwealth Treasurers, will report to National Cabinet. Once a year, National Cabinet, the CFFR and the Australian Local Government Association (ALGA) will meet in person as the National Federation Reform Council to focus on priority national issues.

Australian Local Government Association

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

Australian Government grants to local government

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

In 2020–21, the Australian Government provided \$2.6 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 \$1.3 billion of the budgeted allocation for 2021–22 and paid this funding to states and territories in June 2021. The means of distributing funding provided under the Financial Assistance Grant program is discussed in Chapter 2. Allocations to local governing bodies for 2020–21 are provided in Appendix D.

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

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

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

Total payments to the states for specific purposes constitute a significant proportion of Commonwealth expenditure. In 2020–21, total SPPs were estimated in the 2020–21 Budget to total \$69.4 billion, an increase of \$5.7 billion or 8.9 per cent compared with 2019–20 (Australian Government, *Budget measures: Budget paper Number 3, 2020–21*).

Local government finances

Share of taxation revenue by sphere of government

Local government taxation revenue increased by \$512 million (2.6 per cent) from \$19,578 million in 2019–20. Local government taxation revenue in 2020–21 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 2020–21 (Australian Bureau of Statistics, *Taxation Revenue, Australia, 2020–21*, ABS catalogue number 5506.0). The following table provides further information on the local government share of taxation revenue in 2020–21.

Table 1 Share of taxation revenue, by sphere of government and source, 2020–21

Revenue source	Federal (%)	State (%)	Local (%)	Total (%)
Taxes on income	59.3	-	-	59.3
Employers payroll taxes	0.3	4.2	-	4.3
Taxes on property	0.0	2.4	3.4	5.8
Taxes on provision of goods and services	20.1	6.7	-	26.7
Taxes on use of goods and performance activities	1.4	2.4	-	4.0
Total	81.1	15.7	3.4	100.0

Notes: Figures may not add to totals due to inclusion of external territories and rounding.
 '-' represents nil or figure rounded to zero.

Source: Australian Bureau of Statistics, *Taxation Revenue, Australia, 2020–21*, Total Taxation Revenue, ABS catalogue number 5506.0.

Local government revenue sources

In 2020–21, councils raised 82.8 per cent of their own revenue, with grants and subsidies making up the remaining 17.2 per cent (see table below). Individual councils have differing abilities to raise revenue. These differing abilities may not be apparent when national or even state averages are considered. The differences between urban, rural and remote councils – such as population size, rating base and their ability to levy user charges – affect the ability of a council to raise revenue.

Table 2 Local government revenue sources by jurisdiction in 2020–21

Revenue source in millions of dollars	NSW	Vic	Qld	WA	SA	Tas	NT	Total
Own-source revenue								
Taxation	5,193 (28.7%)	5,760 (46.7%)	4,337 (32.6%)	2,517 (51.6%)	1,696 (61.1%)	441 (47.4%)	146 (29.3%)	20,090 (38.1%)
Sales of goods and services	5,219 (28.9%)	1,928 (15.6%)	4,529 (34.0%)	1,047 (21.5%)	455 (16.4%)	201 (21.6%)	112 (22.5%)	13,492 (25.6%)
Interest	198 (1.1%)	71 (0.6%)	100 (0.8%)	44 (0.9%)	14 (0.5%)	5 (0.5%)	4 (0.8%)	436 (0.8%)
Other*	4,148 (23.0%)	2,294 (18.6%)	2,367 (17.8%)	408 (8.4%)	247 (8.9%)	109 (11.7%)	105 (21.1%)	9,677 (18.3%)
Total own-source revenue	14,758	10,053	11,333	4,016	2,412	756	367	43,694
Grants and subsidies	3,309 (18.3%)	2,289 (18.5%)	1,973 (14.8%)	857 (17.6%)	363 (13.1%)	174 (18.7%)	131 (26.3%)	9,098 (17.2%)
Total revenue	18,067 (100%)	12,342 (100%)	13,306 (100%)	4,874 (100%)	2,775 (100%)	930 (100%)	498 (100%)	52,793 (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, 2020–21, ABS catalogue number 5512.0.

Local government revenue – taxes

One way local governments raise revenue is through rates on property. In 2020–21, 38.1 per cent of local government revenue nationally came from rates. The proportion of revenue from rates varied notably between jurisdictions – from a high of 61.1 per cent for South Australia to a low of 28.7 per cent in New South Wales – and 18.3 per cent of local government revenue was classified as ‘other’ (see Table 2 above).

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

Local government received 25.6 per cent of its revenue in 2020–21 from the sale of goods and services (see previous table).

Councils in the Northern Territory relied more on government grants and subsidies than councils in other jurisdictions, as they raised only 73.7 per cent of their own revenue. In the remaining states, the proportion of revenue raised from own sources ranged from 81.3 per cent for Tasmanian councils to 86.9 per cent for South Australian councils (see previous table).

Local government expenditure

Local government expenditure is primarily on transport (23.9 per cent) followed by general public services (22.2 per cent) and recreation, culture and religion (15.9 per cent) (Table 3).

Table 3 Local government expenditure by purpose and jurisdiction in 2020–21

Expenditure in millions of dollars	NSW	Vic	Qld	WA	SA	Tas	NT	Total
General public services	3,195 (24.6%)	1,773 (18.1%)	3,175 (29.2%)	899 (15.7%)	152 (6.3%)	191 (24.1%)	199 (40.7%)	9,585 (22.2%)
Public order and safety	477 (3.7%)	236 (2.4%)	203 (1.9%)	155 (2.7%)	64 (2.7%)	5 (0.6%)	21 (4.3%)	1,160 (2.7%)
Economic affairs	693 (5.3%)	474 (4.8%)	432 (4.0%)	190 (3.3%)	165 (6.8%)	40 (5.0%)	22 (4.5%)	2,016 (4.7%)
Environmental protection	2,655 (20.4%)	1,571 (16.0%)	1,315 (12.1%)	293 (5.1%)	454 (18.8%)	113 (14.2%)	19 (3.9%)	6,420 (14.9%)
Housing and community amenities	1,178 (9.1%)	685 (7.0%)	1,501 (13.8%)	416 (7.3%)	239 (9.9%)	71 (8.9%)	65 (13.3%)	4,155 (9.6%)
Health	87 (0.7%)	201 (2.0%)	56 (0.5%)	74 (1.3%)	62 (2.6%)	12 (1.5%)	7 (1.4%)	500 (1.2%)
Recreation, culture and religion	1,897 (14.6%)	1,872 (19.1%)	1,314 (12.1%)	952 (16.6%)	612 (25.4%)	137 (17.3%)	64 (13.1%)	6,848 (15.9%)
Education	101 (0.8%)	147 (1.5%)	8 (0.1%)	5 (0.1%)	0 (0.0%)	0 (0.0%)	4 (0.8%)	266 (0.6%)
Social protection	426 (3.3%)	995 (10.1%)	55 (0.5%)	198 (3.5%)	130 (5.4%)	20 (2.5%)	35 (7.2%)	1,859 (4.3%)
Transport	2,298 (17.7%)	1,855 (18.9%)	2,806 (25.8%)	2,549 (44.5%)	533 (22.1%)	204 (25.7%)	52 (10.6%)	10,299 (23.9%)
Total	13,008 (100.0%)	9,808 (100.0%)	10,866 (100.0%)	5,731 (100.0%)	2,412 (100.0%)	794 (100.0%)	489 (100.0%)	43,108 (100.0%)

Notes: Figures may not add due to rounding.

'-' represents nil or figure rounded to zero.

Source: Australian Bureau of Statistics, Government Finance Statistics, Australia, 2020–21, ABS catalogue number 5512.0.

Assets and liabilities

In 2020–21, local government in Australia had a net worth of \$525,354 million, with assets worth \$548,124 million and liabilities worth \$22,770 million (Table 4 and Table 5).

On a state basis, only councils in South Australia had a negative net debt position as at 30 June 2021, while all the other states and the Northern Territory each had a net surplus (Table 5).

Table 4 Local government assets in 2020–21

Assets in millions of dollars	NSW	Vic	Qld	WA	SA	Tas	NT	Total
Financial								
Currency and deposits	2,894	2,445	5,113	2,652	52	545	208	13,909
Advances	0	4	0	2	125	4	0	135
Other loans and placements	0	4,448	1,238	317	19	0	0	6,022
Equity including contributed capital	0	0	5,709	518	138	1,600	0	7,965
Other financial assets	14,720	1,454	2,267	349	268	70	159	19,286
Total financial assets	17,614	8,351	14,327	3,838	602	2,219	367	47,318
Non-financial								
Buildings and structures	125,316	61,180	105,666	36,950	19,506	7,636	2,088	358,344
Machinery and equipment	1,707	1,060	1,550	1,274	371	136	60	6,158
Other fixed produced assets	0	245	387	0	0	10	0	642
Other produced assets	979	1,163	582	121	13	253	134	3,246
Land	50,906	51,337	13,553	5,781	7,091	2,928	584	132,180
Other non-produced assets	237	0	0	0	0	0	0	237
Total non-financial assets	179,146	114,986	121,738	44,126	26,981	10,963	2,866	500,806
Total assets	196,760	123,337	136,065	47,964	27,584	13,183	3,233	548,124

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

Source: Australian Bureau of Statistics, Government Finance Statistics, Australia, 2020–21, ABS catalogue number 5512.0.

Table 5 Local government liabilities and net worth and debt in 2020–21

Liabilities	NSW	Vic	Qld	WA	SA	Tas	NT	Total
Currency and deposits	62	437	11	43	168	17	0	739
Advances	0	118	0	1	160	12	2	293
Other loans and placements	3,193	1,086	4,696	573	402	279	13	10,243
Debt securities	0	0	0	0	0	0	0	0
Provisions for defined benefit superannuation	0	4	0	0	0	0	0	4
Other liabilities	3,621	2,519	3,411	966	593	216	165	11,491
Total liabilities	6,877	4,164	8,118	1,582	1,323	524	181	22,770
Net financial worth†	189,883	119,172	127,947	46,381	26,260	12,659	3,052	525,354
Net debt*	10,737	4,186	6,209	2,255	-721	1,695	186	24,548

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

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

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

Source: Australian Bureau of Statistics, Government Finance Statistics, Australia, 2020–21, ABS catalogue number 5512.0.

History of the arrangements

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

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

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

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

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

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

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

Quantum of Financial Assistance Grant allocations

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

Table 6 National Financial Assistance Grant allocations, 1974–75 to 2020–21

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

Year	General purpose (\$)	Local road (\$)	Total (\$)
2012–13	1,525,571,456	676,940,950	2,202,512,406
2013–14	798,026,429	354,107,812	1,152,134,241
2014–15	2,377,879,350	1,055,135,046	3,433,014,396
2015–16	792,547,187	351,676,511	1,144,223,698
2016–17	2,405,539,222	1,067,408,546	3,472,947,768
2017–18	1,670,887,544	741,421,976	2,412,309,520
2018–19	1,721,014,169	763,664,637	2,484,678,806
2019–20	1,784,003,288	791,614,762	2,575,618,050
2020–21	1,804,876,126	800,876,655	2,605,752,781
Total	43,536,170,846	16,328,457,360	59,864,628,206

Notes:

- Grants to the Northern Territory under the program commenced in 1979–80, with the initial allocation being \$1,061,733.
 - Before 1991–92, local road funding was provided as tied grants under different legislation.
 - In 1992–93, part of the road grant entitlement of the Tasmanian and Northern Territory governments was reallocated to local government in these jurisdictions.
 - Grants to the Australian Capital Territory under the program commenced in 1995–96.
- All funding represents actual entitlements.
n/a = not applicable.

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

Overview of current arrangements

The following actions were taken to distribute funding in 2020–21 to local government under the Financial Assistance Grant program and in accordance with the Act. They reflect the different roles and responsibilities that the Commonwealth and the states and territories have under the Act.

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

- When satisfied that the states and territories had adopted the recommendations of their Local Government Grants Commissions, the Federal Minister approved payment to the states and territories. The Australian Government paid the grant in quarterly instalments to the states and territories, which, without undue delay, passed them on to local governing bodies within their jurisdictions in accordance with the recommended allocations.
- When updated consumer price index and population information became available toward the end of the financial year, an actual escalation factor was calculated and the actual grant entitlement for 2020–21 was determined. As population estimates are applied to the general purpose component, jurisdictions experiencing a negative population change from one year to the next will receive a declining share of the general purpose funding.
- Any difference between the estimated and actual entitlements in the current year is combined with the estimated entitlement in the next year to determine the next year's cash payment. This is known as the 'adjustment' referred to in the Act.

Determining the quantum of the grant

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

The Act provides the Treasurer with discretion to increase or decrease the escalation factors in special circumstances. When applying this discretion, the Treasurer is required to have regard to the objects of the Act (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.

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 2020–21 and 2021–22

The calculations of the 2020–21 actual entitlement and the 2021–22 estimated entitlement, using the final escalation factor (the final factor) and estimated escalation factor (the estimated factor), are set out in the Treasurer's Determination in Figures 1 and 2 below.

The estimated entitlement for 2020–21 was \$1.2 billion, consisting of \$859.4 million under the general purpose component and \$381.3 million under the identified local road component (see Table 7).

In the 2021–22 Budget, the Australian Government brought forward \$1.3 billion being 50 per cent of the 2021–22 estimate for payment in 2020–21. This funding consisted of a general purpose component of \$918.5 million and a local road component of \$407.6 million.

The final entitlement for 2020–21 to local governments was \$2.6 billion, broken out into the general purpose component of \$1.8 billion and the identified local road component of \$800.9 million (see Table 8).

The positive adjustment of \$38.9 million was applied to the estimated entitlement in the following year (2021–22). (See the section below headed 'Variations in reported grants'.)

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

Figure 1 Assistant Treasurer’s determination of the final factor for 2020–21

Part 2 – Final factor for the year 2020–21

5 Determination of final factor for 2020–21

For the purposes of subsection 8(1) of the Act, the factor in relation to the 2020–21 year is 1.0117.

6 How the final factor was worked out

- (1) Under subsection 8(1) of the Act, the factor in relation to the 2020–21 year is to be worked out by applying the formula set out in paragraph 8(1)(a) of the Act and then adjusting the result under whichever of paragraphs 8(1)(b) and (c) of the Act are applicable.

Paragraph 8(1)(a) formula

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

$$\frac{25,533,475}{25,167,690} \times \frac{117.9}{116.6} = 1.02665$$

Note 1: Under section 4A, the Statistician made the estimate of the population of Australia as at 31 December 2019 on 17 June 2021 (published and available at <https://www.abs.gov.au>).

Note 2: Under section 4A, the Statistician made the estimate of the population of Australia as at 31 December 2018 on 18 June 2020 (published and available at <https://www.abs.gov.au>).

Note 3: The formula uses the All Groups Consumer Price Index number, being the weighted average of the 8 capital cities, published on 28 April 2021 by the Statistician in respect of the 2021 March quarter (published and available at <https://www.abs.gov.au>).

Note 4: The formula uses the All Groups Consumer Price Index number, being the weighted average of the 8 capital cities, published on 29 April 2020 by the Statistician in respect of the 2020 March quarter (published and available at <https://www.abs.gov.au>).

Paragraph 8(1)(b) modification

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

Paragraph 8(1)(c) modification

- (4) The result of subsection (3) was modified under paragraph 8(1)(c) of the Act as a result of special circumstances, being the need to account for the Commonwealth's decision to bring forward the first 2 quarterly payments in the 2020–21 year into the 2019–20 year and the first 2 quarterly payments in the 2021–22 year into the 2020–21 year. The modification was worked out by multiplying the result of subsection (3) by the following formula:

$$\frac{2020-21 \text{ amount} - 2019-20 \text{ amount} + 2021-22 \text{ amount}}{2019-20 \text{ final entitlement}} \times \frac{1}{\text{sub (3) factor}}$$

Where:

2019–20 amount means the first 2 quarterly payments that were brought forward from the year 2020–21 to be paid in the year 2019–20.

2020–21 amount means the amount that would have been the base figure for the year 2020–21 if the Commonwealth had not decided to bring forward any quarterly payments.

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

2019–20 final entitlement means the base figure for the year 2019–20.

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

Figure 2 Assistant Treasurer's determination of the estimated factor for 2021–22

Part 3 – Estimated factor for the year 2021–22

7 Determination of estimated factor for 2021–22

For the purposes of paragraph 7(3)(b) of the Act, the estimated factor in relation to the 2021–22 year is 0.5108.

8 How the estimated factor has been worked out

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

Paragraph 8(1)(a) formula

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

$$\frac{25,689,702}{25,553,475} \times \frac{119.9}{117.9} = 1.02239$$

Note 1: Under section 4A, the Statistician made the estimate of the population of Australia as at 31 December 2020 on 17 June 2021 (published and available at <https://www.abs.gov.au>).

Note 2: Under section 4A, the Statistician made the estimate of the population of Australia as at 31 December 2019 on 17 June 2021 (published and available at <https://www.abs.gov.au>).

Note 3: The formula uses the 2021–22 Budget forecast of the Department of the Treasury of the All Groups Consumer Price Index number, being the weighted average of the 8 capital cities, in respect of the 2022 March quarter.

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

Paragraph 8(1)(b) modification

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

Paragraph 8(1)(c) modification

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

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

Where:

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

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

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

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

Table 7 Estimated entitlements and cash paid in 2020–21

	2019–20 final entitlement (in \$)	Multiplied by 2020–21 estimated factor	Equals 2020–21 estimated entitlement (in \$)	Then add 2019–20 adjustment & bring forward (in \$)	Equals 2020–21 cash payment (in \$)
General purpose	1,784,003,288	0.4817	859,354,384	914,789,393	1,774,143,777
Local road	791,614,762	0.4817	381,320,831	405,919,891	787,240,722
Total	2,575,618,050		1,240,675,215	1,320,709,284	2,561,384,499
General purpose	31 December 2019 population*				
NSW	569,774,273	8,136,897	273,760,176	290,323,348	564,083,524
Vic	462,799,814	6,660,991	223,988,532	237,129,399	461,117,931
Qld	358,014,345	5,136,765	172,763,116	184,567,220	357,330,336
WA	184,714,309	2,645,704	88,876,421	95,658,421	184,534,842
SA	123,583,516	1,761,389	59,244,122	63,588,092	122,832,214
Tas	37,700,009	538,269	18,084,978	19,390,903	37,475,881
NT	17,416,575	245,217	8,242,828	8,858,562	17,101,390
ACT	30,000,447	428,243	14,394,211	15,273,448	29,667,659
Total	1,784,003,288	25,553,475	859,354,384	914,789,393	1,774,143,777
Local road	2020–21 estimated factor				
NSW	229,672,281	0.4817	110,633,138	117,769,832	228,402,970
Vic	163,202,333	0.4817	78,614,564	83,685,812	162,300,376
Qld	148,319,602	0.4817	71,445,552	76,054,343	147,499,895
WA	121,039,061	0.4817	58,304,516	62,065,609	120,370,125
SA	43,504,593	0.4817	20,956,162	22,307,996	43,264,158
Tas	41,949,986	0.4817	20,207,308	21,510,837	41,718,145
NT	18,543,435	0.4817	8,932,373	9,508,580	18,440,953
ACT	25,383,471	0.4817	12,227,218	13,016,882	25,244,100
Total	791,614,762		381,320,831	405,919,891	787,240,722

Notes: * Based on statistics provided by the Australian Statistician on 21 June 2019.

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

Table 8 Final entitlements and adjustments for 2020–21

	2019–20 final entitlement (in \$)	Multiplied by 2020–21 final factor	Equals 2020–21 final entitlement (in \$)	Then subtract 2020–21 estimated entitlement (in \$)	Equals 2020–21 adjustment (in \$) [#]
General purpose	1,784,003,288	1.0117	1,804,876,126	859,354,384	945,521,742
Local road	791,614,762	1.0117	800,876,655	381,320,831	419,555,824
Total	2,575,618,050		2,605,752,781	1,240,675,215	1,365,077,566
General purpose	31 December 2019 population *				
NSW	569,774,273	8,136,897	574,719,921	273,760,176	300,959,745
Vic	462,799,814	6,660,991	470,474,706	223,988,532	246,486,174
Qld	358,014,345	5,136,765	362,816,584	172,763,116	190,053,468
WA	184,714,309	2,645,704	186,869,613	88,876,421	97,993,192
SA	123,583,516	1,761,389	124,409,262	59,244,122	65,165,140
Tas	37,700,009	538,269	38,018,660	18,084,978	19,933,682
NT	17,416,575	245,217	17,320,005	8,242,828	9,077,177
ACT	30,000,447	428,243	30,247,375	14,394,211	15,853,164
Total	1,784,003,288	25,553,475	1,804,876,126	859,354,384	945,521,742
Local road	2020–21 final factor				
NSW	229,672,281	1.0117	232,359,447	110,633,138	121,726,309
Vic	163,202,333	1.0117	165,111,800	78,614,564	86,497,236
Qld	148,319,602	1.0117	150,054,941	71,445,552	78,609,389
WA	121,039,061	1.0117	122,455,218	58,304,516	64,150,702
SA	43,504,593	1.0117	44,013,597	20,956,162	23,057,435
Tas	41,949,986	1.0117	42,440,801	20,207,308	22,233,493
NT	18,543,435	1.0117	18,760,393	8,932,373	9,828,020
ACT	25,383,471	1.0117	25,680,458	12,227,218	13,453,240
Total	791,614,762		800,876,655	381,320,831	419,555,824

Notes: * Based on statistics provided by the Australian Statistician on 21 June 2020.

Adjustment includes the bring forward payment from 2020–21 paid in June 2020 and indexation inherent in the Treasurer's Determination.

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

Variations in reported grants

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

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

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

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

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

Inter-jurisdictional distribution of grant

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

In contrast, each jurisdiction's share of the local road component is fixed. The distribution is based on shares determined from the former tied grant arrangements (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 2020–21 allocations of general purpose and local road grants among jurisdictions are provided in Table 9, while Table 10 provides a comparison to the 2019–20 allocations.

Table 9 2020–21 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 paid in June 2021	Total GP final and bring forward	% of total GP pool	31 Dec 2019 population*	\$ per capita	LR final entitlement	LR bring forward paid in June 2021	Total LR final and bring forward	% of LR pool	Kilo-metres	% of LR length	\$ per km	Total final entitlement	% of total grant
	\$	\$	\$	%	Number	\$	\$	\$	%	km	%	\$	\$	%	
NSW	283,183,068	291,536,853	574,719,921	31.8%	8,136,897	70.63	114,106,371	118,253,076	232,359,447	29.0%	147,113	22.4%	1,579.46	807,079,368	31.0%
Vic	231,115,777	239,358,929	470,474,706	26.1%	6,660,991	70.63	81,082,600	84,029,200	165,111,800	20.6%	127,245	19.4%	1,297.59	635,586,506	24.4%
Qld	177,250,054	185,566,530	362,816,584	20.1%	5,136,765	70.63	73,688,524	76,366,417	150,054,941	18.7%	150,407	22.9%	997.66	512,871,525	19.7%
WA	91,552,077	95,317,536	186,869,613	10.4%	2,645,704	70.63	60,134,936	62,320,282	122,455,218	15.3%	126,993	19.3%	964.27	309,324,831	11.9%
SA	61,158,093	63,251,169	124,409,262	6.9%	1,761,389	70.63	21,614,064	22,399,533	44,013,597	5.5%	77,987	11.9%	564.37	168,422,859	6.5%
Tas.	18,668,530	19,350,130	38,018,660	2.1%	538,269	70.63	20,841,699	21,599,102	42,440,801	5.3%	14,208	2.2%	2,987.11	80,459,461	3.1%
NT	8,564,438	8,755,567	17,320,005	1.0%	245,217	70.63	9,212,796	9,547,597	18,760,393	2.3%	13,417	2.0%	1,398.26	36,080,398	1.4%
ACT	14,841,042	15,406,333	30,247,375	1.7%	428,243	70.63	12,611,081	13,069,377	25,680,458	3.2%	-	-	-	55,927,833	2.1%
Total	886,333,079	918,543,047	1,804,876,126	100.0%	25,553,475	70.63	393,292,071	407,584,584	800,876,655	100.0%	657,370	100.0%	1,218.30	2,605,752,781	100.0%

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

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

Table 10 2020–21 final entitlement and percentage change from 2019–20

State	General purpose (GP)			Local road (LR)			Total entitlement		
	2020–21 final entitlement	2019–20 final entitlement	% change from 2019–20 final entitlement*	2020–21 LR final entitlement	2019–20 LR final entitlement	% change from 2019–20 final entitlement	2020–21 final entitlement	Total 2019–20 final entitlement	% change from 2019–20 final entitlement
	\$	\$	%	\$	\$	%	\$	\$	%
NSW	574,719,921	\$569,774,273	0.9%	232,359,447	\$229,672,281	1.2%	807,079,368	799,446,554	1.0%
Vic	470,474,706	\$462,799,814	1.7%	165,111,800	\$163,202,333	1.2%	635,586,506	626,002,147	1.5%
Qld	362,816,584	\$358,014,345	1.3%	150,054,941	\$148,319,602	1.2%	512,871,525	506,333,947	1.3%
WA	186,869,613	\$184,714,309	1.2%	122,455,218	\$121,039,061	1.2%	309,324,831	305,753,370	1.2%
SA	124,409,262	\$123,583,516	0.7%	44,013,597	\$43,504,593	1.2%	168,422,859	167,088,109	0.8%
Tas	38,018,660	\$37,700,009	0.8%	42,440,801	\$41,949,986	1.2%	80,459,461	79,649,995	1.0%
NT	17,320,005	\$17,416,575	-0.6%	18,760,393	\$18,543,435	1.2%	36,080,398	35,960,010	0.3%
ACT	30,247,375	\$30,000,447	0.8%	25,680,458	\$25,383,471	1.2%	55,927,833	55,383,918	1.0%
Total	1,804,876,126	\$1,784,003,288	1.2%	800,876,655	\$791,614,762	1.2%	2,605,752,781	2,575,618,050	1.2%

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

National Principles for the allocation of grants under the Act

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

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

Determining the distribution of grants within jurisdictions

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

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

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

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

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

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

Figure 3 Local Government Grants Commissions

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

- the body is established by a law of a state or the Northern Territory;
- the principal function of the body is to make recommendations to the state or territory government about provision of financial assistance to local governing bodies in the state or territory; and
- the Federal Minister is satisfied that the body includes at least 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 their commission in relation to the recommendations; and make their recommendations in accordance with the National Principles.

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

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

Bodies eligible to receive funding under the Financial Assistance Grant program

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

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

In addition to the Australian Capital Territory, 545 local governing bodies, including 10 declared local governing bodies made eligible under section 4(2), received funding under the Financial Assistance Grant program in 2020–21 (Table 11).

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

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

Notes:

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

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

Methodologies of Local Government Grants Commissions

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

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

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

Figure 4 Internet addresses for Local Government Grants Commissions

New South Wales

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

Victoria

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

Queensland

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

Western Australia

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

South Australia

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

Tasmania

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

Northern Territory

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

Allocations to local government in 2020–21

The Federal Minister agreed to the allocations of funding under the Financial Assistance Grant program to local governing bodies for 2020–21, as recommended by Local Government Grants Commissions through state and Northern Territory ministers. Appendix D contains the final entitlements for 2020–21.

Table 12 provides the average general purpose allocation per capita, provided to local governing bodies, by jurisdiction and by their classification within the Australian Classification of Local Governments. The average local road component per kilometre, provided to local governing bodies, by jurisdiction and by classification within the Australian Classification of Local Governments, is outlined in Table 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, population changes, age of population and geographic differences.

Table 12 Average general purpose component per capita to councils 2020–21

Classification	Jurisdiction (\$)							Average
	NSW	Vic	Qld	WA	SA	Tas	NT	
Urban Capital City (UCC)	21.32	21.36	21.27	21.22	21.22	21.26	21.92	21.55
Urban Developed Small (UDS)	22.47	n/a	n/a	20.93	20.93	n/a	n/a	21.44
Urban Developed Medium (UDM)	21.34	n/a	n/a	20.96	21.00	n/a	n/a	21.10
Urban Developed Large (UDL)	21.29	23.79	n/a	20.90	20.96	n/a	n/a	21.74
Urban Developed Very Large (UDV)	25.52	33.85	n/a	21.06	34.88	n/a	n/a	28.83
Urban Regional Small (URS)	167.81	216.63	194.43	58.41	133.29	69.47	31.32	124.48
Urban Regional Medium (URM)	104.60	158.60	110.90	49.52	20.56	21.01	21.35	69.51
Urban Regional Large (URL)	82.79	114.18	50.87	n/a	n/a	n/a	n/a	82.62
Urban Regional Very Large (URV)	69.63	72.89	22.41	n/a	n/a	n/a	n/a	54.98
Urban Fringe Small (UFS)	n/a	161.44	81.05	46.87	43.72	84.23	21.77	73.18
Urban Fringe Medium (UFM)	42.84	74.52	58.87	22.36	21.12	21.08	n/a	40.13
Urban Fringe Large (UFL)	54.23	82.85	n/a	20.84	104.07	n/a	n/a	65.50
Urban Fringe Very Large (UFV)	42.89	59.13	n/a	20.71	32.25	n/a	n/a	38.74
Rural Significant Growth (RSG)	n/a	n/a	n/a	20.93	33.79	n/a	n/a	27.36
Rural Agricultural Small (RAS)	2,061.85	n/a	n/a	1,033.66	731.01	606.57	n/a	1,108.27
Rural Agricultural Medium (RAM)	854.93	988.45	978.49	266.34	406.07	229.53	n/a	620.64
Rural Agricultural Large (RAL)	453.89	527.51	n/a	248.23	248.22	208.22	n/a	337.22
Rural Agricultural Very Large (RAV)	273.12	258.28	412.88	120.75	174.68	102.65	n/a	223.73
Rural Remote Extra Small (RTX)	586.26	n/a	9,298.99	10,467.55	563.63	n/a	135.66	4,210.42
Rural Remote Small (RTS)	n/a	n/a	3,711.69	2,278.25	n/a	n/a	21.54	2,003.83
Rural Remote Medium (RTM)	2,424.89	n/a	1,680.97	1,088.31	516.15	n/a	102.56	1,162.58
Rural Remote Large (RTL)	996.13	n/a	1,087.74	236.10	n/a	n/a	248.91	642.22
Total dollars per person	69.49	69.43	69.38	69.08	69.26	69.28	69.42	69.39

Notes: n/a = not applicable.

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

Table 13 Average local road component per kilometre to councils 2020–21

Classification	Jurisdiction (\$)							Average
	NSW	Vic	Qld	WA	SA	Tas	NT	
Urban Capital City (UCC)	4,876.90	3,094.93	2,995.97	4,483.29	2,331.89	5,551.46	3,605.43	3,848.55
Urban Developed Small (UDS)	2,858.88	n/a	n/a	2,316.03	2,494.88	n/a	n/a	2,556.59
Urban Developed Medium (UDM)	3,298.87	n/a	n/a	2,381.28	2,314.16	n/a	n/a	2,664.77
Urban Developed Large (UDL)	3,554.44	1,843.23	n/a	2,221.24	2,187.57	n/a	n/a	2,451.62
Urban Developed Very Large (UDV)	3,094.95	1,757.90	n/a	2,231.72	2,123.88	n/a	n/a	2,302.11
Urban Regional Small (URS)	1,707.19	1,321.24	755.22	1,443.13	1,103.43	3,726.76	3,828.28	1,983.61
Urban Regional Medium (URM)	1,882.89	1,427.16	877.13	1,540.63	837.86	4,103.96	3,186.03	1,979.38
Urban Regional Large (URL)	2,325.80	1,496.42	1,063.36	n/a	n/a	n/a	n/a	1,628.52
Urban Regional Very Large (URV)	2,408.11	1,564.06	1,919.69	n/a	n/a	n/a	n/a	1,963.95
Urban Fringe Small (UFS)	n/a	1,330.15	779.26	1,489.21	919.29	3,153.35	3,707.47	1,896.45
Urban Fringe Medium (UFM)	1,952.79	1,534.45	884.69	1,876.84	747.48	3,732.67	n/a	1,788.15
Urban Fringe Large (UFL)	2,136.72	1,734.65	n/a	1,996.10	1,703.54	n/a	n/a	1,892.75
Urban Fringe Very Large (UFV)	2,406.77	1,768.46	n/a	1,975.54	1,716.84	n/a	n/a	1,966.90
Rural Significant Growth (RSG)		n/a	n/a	1,179.25	329.09	n/a	n/a	754.17
Rural Agricultural Small (RAS)	1,078.83	n/a	n/a	659.31	264.28	2,281.04	n/a	1,070.87
Rural Agricultural Medium (RAM)	1,111.04	864.63	643.67	875.09	270.32	2,947.48	n/a	1,118.71
Rural Agricultural Large (RAL)	1,203.34		n/a	979.82	308.15	2,776.97	n/a	1,317.07
Rural Agricultural Very Large (RAV)	1,328.16	1,167.97	727.94	1,103.01	345.19	2,742.71	n/a	1,235.83
Rural Remote Extra Small (RTX)	n/a	n/a	661.97	577.75	n/a	n/a	406.38	548.70
Rural Remote Small (RTS)	n/a	n/a	641.18	608.00	n/a	n/a	3,363.65	1,537.61
Rural Remote Medium (RTM)	1,046.87	n/a	773.66	743.50	n/a	n/a	1,893.70	1,114.43
Rural Remote Large (RTL)	1,072.08	n/a	701.09	1,100.92	n/a	n/a	1,161.42	1,008.88
Total dollars per kilometre	2,185.81	1,608.10	1,032.68	1,589.08	1,249.87	3,446.27	2,644.04	1,755.89

Notes: n/a = not applicable.

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

Local governing bodies on the minimum grant

Local governing bodies that receive the minimum grant entitlement generally fall within the capital city, urban developed or urban fringe classifications, as described in the Australian Classification of Local Government. Local governing bodies on the minimum grant are identified with a hash (#) in Appendix D. Table 14 provides details on local governing bodies on the minimum grant by jurisdiction, from 2011–12 to 2020–21. The per capita grant to minimum grant councils in 2020–21 was between \$21.22 and \$21.92.

The proportion of the population covered by local governing bodies on the minimum grant varies between jurisdictions. In 2020–21, the proportion ranged from 30.6 per cent in New South Wales to 77.7 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 2020–21, the proportion of the general purpose grant that went to local governing bodies on the minimum grant was 14.4 per cent nationally. It varied from 9.2 per cent in New South Wales to 23.3 per cent in Western Australia.

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

Over the past decade, the percentage of the population in minimum grant councils increased from 41.0 per cent in 2011–12 to 48.1 per cent in 2020–21. 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, 2011–12 to 2020–21

Jurisdiction	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21
NSW										
\$ general purpose	471,413,267	489,045,833	508,608,083	508,237,232	506,290,484	496,242,780	524,987,494	540,182,065	560,313,297	574,864,141
\$ to minimum grant councils	37,593,617	38,999,527	41,044,913	42,527,921	47,455,907	38,241,165	46,060,914	50,918,751	51,145,637	52,714,034
% to minimum grant councils	8.0	8.0	8.1	8.4	9.4	7.7	8.8	9.4	9.1	9.2
Population per jurisdiction	7,232,022	7,301,607	7,289,779	7,409,856	7,508,849	7,664,575	7,726,426	7,860,546	7,987,727	8,089,357
Population for minimum grant councils	1,922,430	1,940,916	1,960,961	2,066,788	2,343,212	1,915,270	2,259,648	2,469,834	2,430,406	2,472,596
% of population in minimum grant councils	26.6	26.6	26.9	27.9	31.2	25.0	29.0	31.4	30.4	30.6
Minimum grant councils/No. LGBs	23/155	23/155	23/155	24/155	26/155	18/131	20/131	19/131	17/131	18/131
Vic										
\$ general purpose	360,195,861	375,393,290	393,135,181	393,289,960	394,880,592	405,256,954	415,741,109	434,192,830	453,351,692	469,590,926
\$ to minimum grant councils	30,820,330	28,328,702	33,555,381	33,587,740	33,799,568	34,701,187	35,498,178	38,231,258	48,123,311	50,083,727
% to minimum grant councils	8.6	7.6	8.5	8.5	8.6	8.6	8.5	8.8	10.6	10.7
Population per jurisdiction	5,545,838	5,621,116	5,632,519	5,739,228	5,841,632	5,937,462	6,069,627	6,323,598	6,460,628	6,595,983
Population for minimum grant councils	1,581,774	1,413,974	1,600,743	1,633,808	1,664,977	1,694,716	1,727,523	1,856,004	2,285,987	2,344,959
% of population in minimum grant councils	28.5	25.2	28.4	28.5	28.5	28.5	28.5	29.4	35.4	35.6
Minimum grant councils /No. LGBs	13/79	12/79	13/79	13/79	13/79	13/79	13/79	13/79	16/79	16/79
Qld										
\$ general purpose	290,459,015	304,750,796	319,028,016	319,083,531	318,749,890	317,752,529	328,799,275	338,163,013	351,558,988	360,862,742
\$ to minimum grant councils	50,601,267	62,254,683	65,533,567	65,766,311	65,795,193	69,679,193	72,398,267	75,235,151	78,568,609	80,939,055
% to minimum grant councils	17.4	20.4	20.5	20.6	20.6	21.9	22.0	22.2	22.3	22.4
Population per jurisdiction	4,510,510	4,576,882	4,556,416	4,653,008	4,718,591	4,774,888	4,839,261	4,924,324	5,006,976	5,090,177
Population for minimum grant councils	2,619,274	3,116,561	3,138,148	3,196,772	3,246,648	3,490,246	3,551,854	3,651,910	3,729,968	3,805,640
% of population in minimum grant councils	58.1	68.1	68.9	68.7	68.8	73.1	73.4	74.2	74.5	74.8
Minimum grant councils /No. LGBs	6/73	8/73	8/77	9/77	9/77	10/77	10/77	10/77	10/77	10/77

Jurisdiction	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21
WA										
\$ general purpose	151,667,051	157,781,551	171,319,297	172,194,345	173,592,719	165,885,062	176,085,070	176,932,279	182,242,603	185,450,564
\$ to minimum grant councils	34,286,560	35,432,688	38,760,735	39,026,105	38,981,399	35,870,819	4,128,1872	42,043,137	41,528,520	43,235,533
% to minimum grant councils	22.6	22.5	22.6	22.7	22.5	21.6	23.4	23.8	22.8	23.3
Population per jurisdiction	2,293,510	2,349,325	2,430,252	2,519,321	2,577,840	2,590,259	2,617,074	2,580,354	2,595,192	2,621,509
Population for minimum grant councils	1,728,272	1,758,611	1,832,803	1,903,262	1,920,784	1,871,379	2,047,990	2,043,836	1,971,264	2,036,750
% of population in minimum grant councils	75.4	74.9	75.4	75.5	74.5	72.2	78.3	79.2	76.0	77.7
Minimum grant councils/No. LGBs	31/138	30/138	31/138	31/138	31/138	29/137	31/137	32/137	31/137	30/137
SA										
\$ general purpose	107,468,610	110,938,451	115,072,530	114,528,245	113,431,086	112,980,736	115,773,190	118,284,887	121,948,136	123,908,060
\$ to minimum grant councils	14,330,230	17,938,909	18,042,090	17,154,972	16,990,531	17,610,038	17,798,588	18,040,646	18,290,129	19,380,213
% to minimum grant councils	13.3	16.2	15.7	15.0	15.0	15.6	15.4	15.3	15.0	15.6
Population per jurisdiction	1,644,582	1,656,299	1,654,778	1,670,827	1,685,714	1,685,714	1,708,135	1,723,548	1,736,422	1,751,963
Population for minimum grant councils	810,045	892,807	864,995	834,042	841,721	874,193	875,484	876,093	868,139	913,389
% of population in minimum grant councils	49.3	53.9	52.3	49.9	49.9	51.9	51.3	50.8	50.0	52.1
Minimum grant councils/No. LGBs	20/74	20/74	18/74	17/74	17/74	17/74	17/74	17/74	16/74	17/74
Tas										
\$ general purpose	33,677,077	34,471,522	35,487,132	35,201,332	34,554,111	34,214,228	34,954,441	35,800,944	37,121,818	37,876,570
\$ to minimum grant councils	3,620,178	3,714,379	5,219,534	5,182,417	5,091,852	5,049,338	5,168,245	5,327,655	5,554,515	5,671,142
% to minimum grant councils	10.8	10.8	14.7	14.7	14.7	14.8	14.8	14.9	15.0	15.0
Population per jurisdiction	507,643	510,519	512,019	513,159	514,762	516,586	519,063	520,877	528,201	534,457
Population for minimum grant councils	181,900	183,365	251,030	251,828	252,849	254,126	255,823	258,378	263,448	266,742
% of population in minimum grant councils	35.8	35.9	49.0	49.1	49.1	49.2	49.3	49.6	49.9	49.9
Minimum grant councils/No. LGBs	4/29	4/29	5/29	5/29	5/29	5/29	5/29	5/29	5/29	5/29

Jurisdiction	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
NT										
\$ general purpose	15,224,579	15,518,239	16,449,092	16,573,314	15,930,250	16,170,566	16,560,517	16,925,686	17,283,550	17,343,582
\$ to minimum grant councils	3,239,988	2,714,718	2,889,253	2,938,751	2,939,595	2,918,549	3,005,630	3,142,263	3,229,753	3,241,234
% to minimum grant councils	21.3	17.5	17.6	17.7	18.5	18.0	18.1	18.6	18.7	18.7
Population per jurisdiction	220,753	223,443	227,963	233,399	231,833	237,252	238,271	239,151	238,475	237,385
Population for minimum grant councils	156,597	130,295	133,471	137,953	140,441	142,735	144,149	147,995	148,545	147,878
% of population in minimum grant councils	70.9	58.3	58.6	59.1	60.6	60.2	60.5	61.9	62.3	62.3
Minimum grant councils/No. LGBs	6/16	5/16	5/16	5/18	5/18	5/18	5/18	4/18	4/18	5/18
Australia										
\$ general purpose	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	1,688,712,055	1,723,820,084	1,769,896,585
\$ to minimum grant councils	174,492,170	189,383,606	205,045,473	206,184,217	211,054,045	204,070,289	221,211,694	232,938,861	246,440,474	255,264,938
% to minimum grant councils	12.2	12.7	12.7	13.2	13.6	13.2	13.7	13.8	14.3	14.4
Population per jurisdiction	21,954,858	22,239,191	22,303,726	22,738,798	23,079,221	23,406,736	23,717,857	24,588,635	24,553,621	24,920,831
Population for minimum grant councils	9,000,292	9,436,529	9,782,151	10,024,453	10,410,632	10,242,665	10,862,471	11,304,050	11,697,757	11,987,954
% of population in minimum grant councils	41.0	42.4	43.1	44.1	45.1	43.8	45.8	46.0	47.6	48.1
Minimum grant councils/No. LGBs	103/564	102/564	97/568	104/570	106/570	97/545	97/545	100/545	99/545	101/545

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

LGBs = local governing bodies.

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

Comparing councils

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

Comparing a council's grant allocation both within and across jurisdictions with other similar sized councils is problematic due to the considerable divergence in methodologies used by each local government grants commission.

Local Government Grants Commissions implicitly determine a ranking for each council in their 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 positions and values of the average general purpose grant per capita and the average local road grant per kilometre are also shown at the top of the ranking of councils.

Impact of Local Government Grants Commission capping policies

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

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

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

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

Reviews of Local Government Grants Commission methodologies

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

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

Since the Act commenced in July 1995, all Local Government Grants Commissions have undertaken major reviews of their methodologies (see Table 15 below).

Table 15 Status of most recent major methodology reviews by state, as at 30 June 2021

State	General purpose grant	Local road grant
NSW	Most recent major review conducted between 2014–2018. No major changes to the methodology were implemented in 2020–21.	No major changes to the methodology were implemented in 2020–21.
Vic	Most recent major review conducted in 2016–17. No major changes to the methodology were implemented in 2020–21. In 2020–21, the Commission adjusted the valuation data for Towong and East Gippsland councils to recognise the significant impact of the bushfires.	Most recent major review was conducted in 2012–13. No major changes to the methodology were implemented in 2020–21.
Qld	Most recent major review was implemented in 2011–12. No major changes to the methodology were implemented in 2020–21.	Most recent major review was implemented in 2004–05. No major changes to the methodology were implemented in 2020–21.
WA	Most recent major review was implemented in 2012–13. No major changes to the methodology were implemented in 2020–21.	Most recent major review was implemented in 2012–13. No major changes to the methodology were implemented in 2020–21.
SA	Most recent major review was completed in June 2013. No major changes to the methodology were implemented in 2020–21. The Commission amended the jetties and wharves adjutor to include marinas and boat ramps; and recognition for councils that maintain airstrips in rural areas.	Most recent major review was completed in June 2013. No major changes to the methodology were implemented in 2020–21.
Tas	Most recent major review commenced in 2021 and is ongoing. No major changes to the methodology were implemented in 2020–21.	Most recent major review commenced in 2021 and is ongoing. No major changes to the methodology were implemented in 2020–21.
NT	Most recent major review was completed in 2012–13. No major changes to the methodology were implemented in 2020–21.	Most recent major review was conducted in 2012–13. No major changes to the methodology were implemented in 2020–21.

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



Local government efficiency and performance

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

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

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

Developments in long-term financial and asset management plans

Jurisdictions were asked to report on developments in the use of long-term financial and asset management plans by local government during 2020–21. A summary of the progress for each jurisdiction follows.

Local councils in **New South Wales** report under an Integrated Planning and Reporting (IP&R) framework that drives their strategic planning, including long-term financial and asset management planning. The main components of the IP&R framework are: a community strategic plan with a ten-year-plus timeframe; a resourcing strategy; a delivery program; an operational plan; and an annual report.

In **Victoria**, following the introduction of the Fair Go Rates System (FGRS) from 1 July 2016, an annual cap is applied to rate rises by councils. For 2020–21, a cap of 2.00 per cent was applied compared to 2.50 per cent for 2019–20.

The Rural Council Transformation Program, launched in August 2018, provided a \$20 million fund to encourage transformation across rural and regional Victoria. The magnitude and complexity of these reform initiatives will require implementation over a number of financial years. Throughout 2020–21, two projects proceeded with their procurement phase. Due to bushfires, the COVID-19 pandemic and competing internal priorities, two projects were unable to continue development. The funding allocated to these two projects has been repurposed for a second round of funding under the Rural Councils Transformation Program.

The *Local Government Act 2020* introduced legislative requirements for all Victorian councils to develop and adopt a 10-year Financial Plan and a 10-year Asset Plan.

In **Queensland**, all local governments are required to have long-term financial forecasts and to prepare and adopt long-term asset management plans. In October 2016, the Auditor-General of Queensland tabled a report on forecasting long-term sustainability of local government,

containing recommendations for improvement. Individual local governments in Queensland continue to implement those recommendations where appropriate.

The **Local Government Association of Queensland** (LGAQ) reported that Queensland councils must have long-term financial forecasts of at least 10 years, updated annually. Those councils have long been calling for an improved and tailored performance assessment framework to ensure financial sustainability is assessed in a way that reflects the diversity of local government across the state.

The Queensland Auditor-General recommended in the *Local Government 2020* (Report 17: 2020–21) that councils need to:

- engage with asset valuers early to complete the valuation of assets well before year end
- use accurate information in their long-term asset management strategies and budget decisions
- regularly match the asset data in their financial records to the asset data in their engineering/geographic information systems to ensure it is complete and reliable.

The Auditor-General also noted that 'as of 30 June 2020, 25 councils [in Queensland] are at a high risk of not being financially sustainable'.

In **Western Australia**, local governments are required to have a Strategic Community Plan and a Corporate Business Plan. These are supported and informed by resourcing and delivery strategies, including an Asset Management Plan, a Long-term Financial Plan and a Workforce Plan. These form part of the Integrated Planning and Reporting (IPR) Framework and the Advisory Standard, which sets out associated performance measures. The Department of Local Government, Sport and Cultural Industries (DLGSC) continues to monitor that Strategic Community Plans and Corporate Business Plans are being reviewed within prescribed required timeframes.

The **Western Australian Local Government Association** (WALGA) State Council resolved in December 2020 that the local government sector request the WA Minister for Local Government to direct the WA Department of Local Government to prepare a Model Set of Financial Statements and Annual Budget Statements Reports for the local government sector. The Minister for Local Government in WA responded positively and this work has been outsourced to financial consultants and should be completed to take effect for the 2022–23 financial year.

WALGA compiled a manual that describes the model's methodology, and how it distributes funding, to help local governments better understand the Asset Preservation Model, administered by the WA Local Government Grants Commission.

The State Road Funds to Local Government Agreement provides funding to survey all regionally significant Local Government roads outside the metropolitan area in a five-year cycle. The first phase of this WALGA managed project delivered a condition survey and video of the significant Mid-West region roads during 2020. Phase two, comprising the Great Southern and Goldfields – Esperance regions is underway.

In **South Australia**, each one of state'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 2020–21 through resources that were developed and distributed during its previous Financial Sustainability Program (2005–2017).

The LGASA also commenced a project in 2020–21 aimed at enhancing asset management capacity and capability in the sector through the provision of a suite of information papers.

During 2020–21, a number of small regional councils received a subsidy to enable the attendance of council members and staff at relevant training courses which would improve their core financial and asset management skills.

In **Tasmania**, the *Local Government Act 1993* was amended in 2014 to require all councils to prepare and maintain long-term financial management plans, financial management strategies, long-term strategic asset management plans, and asset management policies and strategies. The Tasmanian Local Government Division within the Department of Premier and Cabinet continues to monitor councils' compliance with the requirements to maintain this set of financial and asset management documents.

In 2020–21, the **Local Government Association of Tasmania** (LGAT) continued to facilitate regular meetings of the statewide Tasmanian Asset Management Group. The Group focuses on collaborative, continual improvement work and professional development in the financial and asset management space.

In 2020–21, LGAT organised professional training in 'Completing Your Council's Strategic Asset Management Plan (SAMP)'. The training focused on how to use the SAMP template to develop a council's own SAMP.

LGAT continued to maintain an array of guidance material on long-term financial and asset management planning. Throughout 2020–21 in the **Northern Territory**, new regulations and guidelines, supporting the *Local Government Act 2019*, rolled out on 1 July 2021, were developed, which require NT councils to:

- include a standard format and content, for council long-term financial plans, in council annual plans published on council websites
- review their annual budget at least once in every six months and where a budget amendment has a material impact on the council's long-term financial plan, the council must by resolution amend the long-term financial plan
- keep an electronic register of their major assets
- keep an electronic register of their portable and attractive assets
- comply with a new mandatory requirement prescribing the minimum information that must be recorded in asset registers.

The **Local Government Association of the Northern Territory** (LGANT) continues to convene the bi-annual Finance Reference Group meetings whose agenda cover a range of topics, including asset management plans.

During 2020–21, the **Australian Capital Territory** Government's Infrastructure Planning and Advisory Committee (IPAC) comprising Directors-General and Chief Executive Officers across the ACT Government was replaced by the Planning and Infrastructure Committee of the ACT Public Service (ACTPS) Strategic Board. The new Committee continues to play a 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.

During 2020–21, 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.

In 2020–21, further work has been undertaken to migrate to a new Asset Management Information System (AMIS), which is expected to be complete during the 2021–22 financial year. The new AMIS will improve consistency and approach to asset management, whilst also improving the feedback loop associated with asset or service related requests or notifications from the public.

The **Australian Local Government Association** (ALGA) reported that over the past decade, the states and territories have implemented programs to assist councils to focus on long-term financial and asset management practices.

ALGA's 2021 *National State of the Assets Report* confirmed that two-thirds of all local government assets are in good condition while around one-third are not. Specifically, nearly one in ten of all local government assets need significant attention, and three in every 100 assets may need to be replaced.

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
- relatively rapid growth of total government road-related expenditure costs
- reliance on intergovernmental transfers for road funding
- competing funding pressures from other government services
- need for road investment to reflect whole-of-life costs and road-user needs more clearly.

Performance measures between local governing bodies

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

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

For this Local Government National Report, state and territory governments and local government associations were asked to report on measures undertaken in 2020–21 to develop and implement comparative local government performance indicators. A summary of these reports for each jurisdiction follows.

In September 2019, the **New South Wales** Government launched the *Your Council* website which draws on data already collected by the Office of Local Government (OLG) from NSW councils and other agencies and presents it in an easy to understand and user-friendly way. The website facilitates benchmarking against the average for like councils so ratepayers can compare how their council is performing.

The platform is being updated to include other local government data, including housing, employment and population data, and aims to provide one stop for communities to view their council's performance across various disciplines.

In **Victoria**, the [Know Your Council](http://www.knowyourcouncil.vic.gov.au) website (www.knowyourcouncil.vic.gov.au), supported by Victoria's Local Government Performance Reporting Framework (LGPRF), requires all Victorian councils to annually collect and report their data against 58 performance indicators across 11 different service areas. On 9 December 2020, the 2019–20 data was released

publicly with 17,200 users visiting the site in the first 72 hours. As well as comparing councils, users can view trend data in addition to reading commentary from council explaining the context of their performance results.

The provision of information by the **Queensland** Government to the community through the Queensland Local Government Comparative Information Report continued in 2020–21. 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.

The **Local Government Association of Queensland** (LGAQ) reported that the Queensland Auditor-General's report, *Local Government 2020 (Report 17: 2020–21)*, informs the ongoing comparative performance measures of Queensland's local government sector in relation to their financial reporting accountabilities.

Since 2013, the Department of State Development, Infrastructure, Local Government and Planning has required councils to measure their financial sustainability using three audited ratios:

- operating surplus ratio – the extent to which operating revenues cover operating expenses
- net financial liabilities ratio – the extent to which the operating revenues can meet the liabilities
- asset sustainability ratio – the extent to which assets are replaced as they reach the end of their useful lives.

Separately, the LGAQ has continued to invest in its LG Sherlock data analytics service and has recently relaunched several upgraded data services that provide council insights and comparative performance indicators into areas as diverse as electricity consumption, motor vehicles (fleet) and mobile phone use.

In **Western Australia**, basic financial performance measures for all local governments in Western Australia are published on the MyCouncil comparative website at <https://www.mycouncil.wa.gov.au/>. MyCouncil provides a place to find out how local governments are raising, spending and managing their money. The website provides data on local government finances and demographics drawn principally from local government audited financial statements and the Australian Bureau of Statistics, with the data being updated annually. MyCouncil 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. MyCouncil also includes information about each local government's financial health using the Financial Health Indicator (FHI) methodology.

In 2020–21, DLGSC developed a risk analysis tool designed to identify local governments that could benefit from proactive intervention and support to fulfil their statutory obligations. This tool is currently in use.

In May 2021, the **Western Australian Local Government Association** (WALGA) resolved to advocate to the Minister for Local Government to amend the Local Government (Financial Management) Regulations 1996, especially their provisions on financial ratios. WALGA expects that amended ratios should come in to effect in the 2022–23 financial year.

In response to the WA Local Government Agreement, WALGA worked with the South West Regional Road Group to trial a modification of their multi-criteria assessment methodology

to increase the focus on road safety in the methodology for the prioritisation of grant funding. The model is expected to be expanded to other Regional Road Groups.

WALGA was awarded a Commonwealth Government Road Safety Innovation Fund grant to the value of \$193,000. The Association will work in partnership with the WA Centre for Road Safety Research to explore and develop a suitable methodology that can be applied by local governments to assess and rate the relative safety of the local road network.

In **South Australia**, comparisons between councils on a wide range of data are publicly available at <https://www.dit.sa.gov.au/local-government/grant-commission/publications> on the South Australian Local Government Grants Commission's website.

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

In **Tasmania**, the Tasmanian Audit Office's annual *Auditor-General's Report on the Financial Statements of State Entities* considers council financial performance, including performance against a series of financial performance ratios. The Audit Office uses a set of financial performance ratios also specified in the Local Government (Management Indicators) Order 2014. This suite of indicators, considered together, is intended to facilitate understanding of individual council performance and comparison between councils and categories of councils.

The Tasmanian Local Government Division, within the Department of Premier and Cabinet, manages an annual Consolidated Data Collection process for council financial and performance data, and this information is made available to the public through the Land Information System Tasmania portal.

In the **Northern Territory**, throughout 2020–21 new regulations and guidelines supporting the *Local Government Act 2019* were developed which enable comparison of performance between councils, including a mandatory format and prescribed content to be used by all councils for their monthly financial reports, a standardised format for council budgets and long-term plans.

The **Local Government Association of the Northern Territory** (LGANT) facilitated five Reference Groups which provided forums for member council officers to share individual learnings and strategies in improvements in council operations and governance.

The **Australian Capital Territory** (ACT) Government does not currently undertake comparative performance measures with other local governments. However, the ACT Government does participate in the *Productivity Commission's Annual Report on Government Services* (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.

The **Australian Local Government Association** (ALGA) reported that at the national level there are no overarching systems in place to collect, analyse and compare performance measures across the 537 local councils in Australia. State and territory governments have established performance measures but used different approaches and metrics. A national system was considered in the late 1990s but not progressed after local government agreed that the significant variation of services across states and territories made such a system unworkable.

The Productivity Commission argued in its five-year productivity review, *Shifting the Dial* (2017) (<https://www.pc.gov.au/inquiries/completed/productivity-review/report>), that local governments should provide meaningful and accessible performance indicators.

ALGA is concerned that local government is being left behind in a data-driven decision-making environment, and that many councils will need assistance to lift their capability to be able to input, access and use data, as well as protect the data for which they are responsible.

Efficiency and effectiveness reforms

As part of their reports, jurisdictions were asked to provide information on 2020–21 reforms to improve the efficiency and effectiveness of local government service delivery. A summary for each jurisdiction follows.

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

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

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

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

In **Victoria**, the *Local Government Act 2020* provided for new longer-term requirements for local government financial and asset planning. A co-design process in 2020–21, between the state government and councils, developed a draft integrated strategic planning and reporting framework to support councils to implement the new legislative requirements. Councils are now required to devise finance and asset plans with a 10-year time horizon with community engagement. The new longer-term planning requirements are now integrated with other council plans and policies.

Working with local governments, the **Queensland** Government continued to deliver local government capacity building programs for more than 1,700 participants including mayors, councillors, council officers and election candidates; commenced a leadership development program for 89 female councillors; implemented a new eGrant management system; and finalised the Rural and Remote Councils Compact to support the way government and councils work together to address key issues facing rural and remote communities.

Key reform measures that commenced in October 2020 included:

- new and amended requirements for the organisation and conduct of local government meetings and for the management of registers of interests
- approval of a new Code of Conduct for Councillors
- amended procedures for the sale of land by local governments.

The **Local Government Association of Queensland** (LGAQ) reported that the Rural and Remote Councils Compact, signed on 25 June 2021, complements the existing Partnership in Government agreement between the LGAQ and the Queensland Government to provide a platform to ensure issues of priority for these communities are properly considered by the Queensland Government when developing policies, programs, and legislation. The Compact's key strategic priorities in 2021 were roads, housing, and financial sustainability.

In **Western Australia**, following passage of the *Local Government Legislation Amendment Act 2019*, further reforms were implemented in 2020–21 to support behaviour and corporate practices that reflect community expectations of individuals in publicly funded roles.

The WA Department of Local Government, Sport and Cultural Industries (DLGSC) supported the Australian Local Government Women's Association WA Branch to continue to run two programs:

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

During 2020–21, amendments were made to the Local Government (COVID-19 Response) Order 2020 to enable WA local governments to hold electors' general and special meetings and continue to provide assistance to Western Australian ratepayers suffering financial hardship as a result of the pandemic.

In September 2020, the then Minister for Health and the then Minister for Local Government announced a review of the *Cemeteries Act 1986* and the *Cremation Act 1929*.

The Dog Amendment (Stop Puppy Farming) Bill 2021 was introduced into Parliament on 2 June 2021.

The **Western Australia Local Government Association** (WALGA) reported that, in 2020–21, after more than 10 years of advocacy by WALGA, Main Roads WA have adopted new procedures that set out the operational boundaries and responsibilities at intersections between local and state government roads.

WALGA also compiled guidelines to assist local government to navigate the complex landowner, environmental and heritage requirements to access road gravels.

In **South Australia**, the Local Government Research and Development Scheme continued as a primary source of funding for research in local government. From its inception in 1997 until 30 June 2021, the Scheme had approved over 770 projects, with approximately \$32 million in approved funding.

The *Statutes Amendment (Local Government Review) Act 2021* received the Governor's assent on 17 June 2021. Key reforms in the Act include: a new conduct management framework for council members; an expansion of expert, independent advice to councils on a range of critical financial and governance matters; a modern approach to public consultation; and a range of improvements to regulation to reduce councils' costs.

The **Tasmanian Government** accepted the recommendations of the Premier's Economic and Social Recovery Advisory Council's (PESRAC) final report on 16 March 2021. The PESRAC report contained recommendations in relation to an ambitious review of the structure and function of local government in Tasmania. Initial work commenced in 2020–21 to consider the scope of the Future of Local Government Review, which commenced formally in January 2022.

The Tasmanian Local Government Division, within the Department of Premier and Cabinet, continued work on the comprehensive Local Government Legislation Review in 2020–21, following the announcement of 48 approved reforms in April 2020. The introduction of a new Local Government Bill has now been paused, with a view towards the potential significant implications of the Future of Local Government Review for a fit-for-purpose local government legislative framework.

The **Local Government Association of Tasmania** (LGAT) worked with Edge Legal, a Tasmanian law firm, to develop the Workplace Behaviours Toolkit to ensure that councils are places where people are treated with courtesy, dignity, and respect.

LGAT has also established a general HR Helpdesk to Tasmanian councils, supported by Edge Legal. The HR Helpdesk was originally used to assist councils with the implementation of the Workforce Behaviours Toolkit. This service has now expanded to additional services.

LGAT has a procurement arm that aims to help councils undertake best practice procurement and deliver value for money for their communities. In 2020–21, Tasmanian councils saved more than \$1.3 million using LGAT procurement services.

In response to the COVID-19 pandemic, the **Northern Territory Government** introduced a range of initiatives to support local government councils to ensure they continue to deliver essential council services while operating under COVID-19 restrictions.

During 2020–21, the Department of the Chief Minister and Cabinet established three new grant programs in support of local government service delivery:

- The Commercial Rates Replenishment program provided a one-off grant to councils that granted a 25 per cent rate concession for commercial ratepayers facing financial hardship due to the COVID-19 pandemic.
- The Priority Infrastructure Fund gave councils the opportunity to apply for funding for local government infrastructure-related projects in relation to upgrade, repair or improvements to infrastructure.
- The Waste and Resource Management (WaRM) Program provided one-off grant allocations to regional and shire councils to assist with addressing issues specific to waste and resource management issues within their council areas.

In 2020–21, the Northern Territory Government approved a standardised approach for funding disaster-related events by requiring all councils to make an initial upfront 25 per cent financial contribution of their eligible Disaster Recovery Funding Arrangements (DRFA) expenditure, up to a capped cumulative value in any financial year. Three million dollars was also approved to be set aside in the Treasurer's Advance to enable the Department of the Chief Minister and Cabinet to make more timely payments for eligible expenditure claimed by councils under the DRFA. This new process is aimed at reducing the impact a disaster event may have on council service delivery.

During the financial year, the Department of the Chief Minister and Cabinet reconvened its consultation process on the draft Burial and Cremation Bill to replace the Cemeteries Act 1952.

In 2020–21, the **Local Government Association of the Northern Territory** (LGANT)

- represented local government interests on the COVID-19 Regional and Remote Taskforce which has met weekly since early March 2020
- worked in collaboration with the NT Government to secure financial support measures of \$13.1 million during the pandemic
- continued to collaborate with the Independent Commission Against Corruption (ICAC) and facilitated forums and information sessions with all councils. Councils learnt about the powers and functions of ICAC as well as the obligations councils now have under legislation
- provided industrial relations services to its members
- convened a Waste Management Forum in Darwin on 15 December 2020 which included participants from 10 councils
- facilitated a Procurement Symposium that provided both accredited and non-accredited training offerings plus presentations on a range of topics to participants from 10 local government councils.

In 2020–21, the **Australian Capital Territory** (ACT) Government implemented a number of reforms to improve the efficiency and effectiveness of service delivery, including the following.

The Land Titles Office implemented 'Title Watch', an online title monitoring service that sends automatic email notifications to subscribers when an action is detected on a Certificate of Title and provides quarterly updates on title changes. This was introduced to protect against property fraud and made publicly available in February 2021.

The ACT Education Directorate released a 'roadmap' for ACT public schools based on the ACT Government's COVID-19 recovery plan.

In August 2020, the ACT Transport Strategy 2020 was launched outlining a vision for a world class transport system that supports a compact, sustainable and vibrant city.

Details of the above and additional reforms can be found in the ACT Government's submission in Appendix B.

The **Australian Local Government Association** (ALGA) reported that many like-minded regional and remote-area councils have created voluntary groupings, or Regional Organisations of Councils (ROCs), to enable capacity building and resource-sharing.

Over the past two decades, many state governments have pursued policies of council amalgamation to – as they argue – enable more effective service delivery, generate cost savings, and capture economies of scale.

Councils around Australia continue to embrace new technologies to improve their service delivery standards and broaden consultation and engagement with their local communities.

The Federal Government's City Deals and Regional Deals, which facilitate partnerships between the three levels of government and work towards a shared vision for a place, town, or region, continue to expand. These models provide greater coordination, certainty and efficiency of infrastructure provision at the local level, and ALGA supports efforts to roll out new deals.

Reporting requirements

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

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

During 2020–21, all jurisdictions pursued initiatives to promote the delivery of local government services to Aboriginal and Torres Strait Islander communities. A summary of key initiatives is also provided later in this chapter with further details outlined in Appendix B.

Closing the Gap

The Productivity Commission now releases Annual Data Compilation Reports providing a point-in-time snapshot of measurement under the National Agreement on Closing the Gap which was signed in July 2020. In its first report, for July 2021, the Productivity Commission reported the following.

The National Agreement on Closing the Gap (the Agreement) is a commitment to improve the lives of Aboriginal and Torres Strait Islander people made by all Australian governments and the Coalition of Aboriginal and Torres Strait Islander Peak Organisations (Coalition of Peaks). Under the Agreement, these Parties have committed to actions to achieve the following objective:

'to overcome the entrenched inequality faced by too many Aboriginal and Torres Strait Islander people so that their life outcomes are equal to all Australians'. ...

The Agreement adopts a fundamentally new approach to efforts to close the gap to that under the National Indigenous Reform Agreement, which it replaces. This new approach is a structural change that commits Australian governments to work in 'full and genuine partnership' with Aboriginal and Torres Strait Islander people in making policies to close the gap. This change stems from an understanding that when Aboriginal and Torres Strait Islander people have a genuine say in the policies that affect them, better outcomes are achieved.

Central to the Agreement are four Priority Reforms that 'change the way governments work to accelerate improvements in the lives of Aboriginal and Torres Strait Islander people'. ...

The Priority Reforms are at the centre of the Agreement and respond to the voices and aspirations of Aboriginal and Torres Strait Islander people. They arose from the partnership between Australian governments and the Coalition of Peaks and were supported by Aboriginal and Torres Strait Islander people during the formal engagement processes in 2019 for the development of the Agreement.

The Priority Reforms aim to fundamentally change the way governments work with Aboriginal and Torres Strait Islander people, organisations and communities, so as to accelerate improvements in the lives of Aboriginal and Torres Strait Islander people. They are also designed to strengthen Aboriginal and Torres Strait Islander people and cultures.

This Agreement takes a different approach to the previous agreement (the National Indigenous Reform Agreement), where monitoring focussed on socio-economic outcomes. While monitoring the socio-economic outcomes is important and will continue, direct monitoring of the Priority Reforms will also be undertaken. Monitoring the implementation of the Priority Reforms will show if the Parties have done what they committed to. ...

No data are currently available to directly measure the implementation of the Priority Reforms. As these reforms are part of the new approach and not previously monitored, significant conceptual and data development work is underway to ensure the reforms can be measured directly.

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

State, territory and local government initiatives

An outline, provided by jurisdictions and local government associations, of key activities they undertook to improve the provision of local government services to Indigenous peoples in 2020–21, is as follows.

New South Wales councils are required to prepare Integrated Planning and Reporting (IP&R) plans. As part of this process, councils must develop a Community Engagement Strategy that 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.

The Roads to Home project partners with Aboriginal communities across NSW to improve infrastructure and to provide training and employment opportunities for those communities.

In **Victoria**, over 2020–21, the Department of Jobs, Precincts and Regions (DJPR) engaged in numerous consultations with Traditional Owners, peak local government bodies, Aboriginal communities and local governments to frame the direction of the Victorian Aboriginal and Local Government Strategy 2021–2026 (VALGS). The Strategy is being developed to support Aboriginal Victorians and local and state governments to work together to create a meaningful and locally driven pathway to self-determination.

The **Queensland** Government continued to provide funding to Indigenous local governments to support the provision of local government services to their communities. In 2020–21, the funding pool for the State Government Financial Aid program for the state's 16 Indigenous councils was \$36.296 million.

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.

Other funding provided by the Queensland Government to Indigenous councils in 2020–21 included \$3.525 million under the Revenue Replacement 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.

Twelve priority infrastructure projects totalling \$10.524 million were approved for nine Indigenous council areas under the 2019–2021 Local Government Grants and Subsidies program.

The **Local Government Association of Queensland** (LGAQ) reported that, in terms of servicing its member councils, the LGAQ conducted three Indigenous Leaders Forums for mayors and councillors in 2020–21. The Association also extends a range of daily support services to support elected members and senior officers from First Nation communities with access to advice, guidance and online tools in areas such as governance, compliance, industrial relations and disaster management. Through a unique-to-local Indigenous capacity building project, funded by the Queensland Government and administered by the LGAQ, over 3,435 council workers across the 17 First Nations councils in Queensland have been trained since 2015.

In **Western Australia**, on 11 November 2020, the then Minister for Finance, Aboriginal Affairs and Lands, Ben Wyatt announced the launch of the Aboriginal and Dual Naming Guidelines for naming Western Australian geographic features and places to help preserve local languages through Aboriginal place names.

The DLGSC participates in the senior officers working group for the Southwest Native Title Settlement, a landmark native title agreement, negotiated between the Noongar people and the WA Government. The Settlement commenced in February 2021, with the Noongar Boodja Trust established in March 2021 and Noongar Regional Corporations scheduled to be established by early 2022. Native title was resolved on the 13 April 2021 and replaced by Settlement arrangements.

The **Western Australia Local Government Association** (WALGA) facilitated the WA Local Government Reconciliation Network which brings together WA local government officers working in reconciliation and Aboriginal projects.

On Thursday 17 June 2021, WALGA hosted a webinar to provide an update on the implementation of the South West Native Title Settlement.

WALGA sponsored three local governments to participate in the National Reconciliation Week Street Banner Project 2021.

On Monday 26 October WALGA hosted a webinar on *Fuel Reduction for Safety and Biodiversity* including a presentation on the Department of Fire and Emergency Services' Traditional Fire Program.

In **South Australia** during 2020–21, the **Local Government Association of South Australia** (LGASA) strengthened its partnerships with Reconciliation SA. Through this partnership several initiatives were developed, including the establishment of the Local Government Reconciliation Industry Network Group (LG RING). The LG RING provides an opportunity

for elected members and senior leaders to come together to exchange information, build relationships and networks, and develop, support and promote shared reconciliation initiatives and activities.

Additionally, in partnership with Reconciliation SA, LGASA was successful in applying for a \$50,000 National Indigenous Australians Agency Local Investments Grant. The purpose of this grant is to increase the voice of First Nations people in local government in South Australia.

Over 2020–21, \$3.08 million (excluding GST) was provided by the Commonwealth for the Office of Local Government in South Australia to deliver municipal services to Aboriginal communities outside of the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands.

In **Tasmania** in 2020–21, councils continued to provide a range of services to Aboriginal and Torres Strait Islander communities and community organisations.

Hobart City and Brighton Councils, among others, undertook work to develop and consult with communities on Reconciliation Action Plans in the reporting year.

The **Local Government Association of Tasmania** (LGAT) engaged with Reconciliation Tasmania to understand how LGAT can support Tasmanian councils that are yet to start their reconciliation journey with Tasmanian Aboriginal communities. A one-day workshop was delivered in November 2021, specifically for councils, on Reconciliation Actions Plans (RAPs). The workshop included presentations from councils on their experiences, insights from First Nation representatives, and information and advice on developing a RAP most appropriate to individual council needs.

In 2020–21, in the **Northern Territory**, grant funding of \$4.9 million was allocated across the nine regional councils to assist with funding priority projects, as identified by their respective local authorities.

In 2020–21, grant funding totalling \$8.6 million was allocated to nine regional councils and one shire council under the Indigenous Jobs Development Fund to assist with subsidising 50 per cent of the cost of employing Aboriginal staff within their respective councils.

The **Local Government Association of the Northern Territory** (LGANT) reported that most Aboriginal communities are located within regional council areas. In addition to the services offered by all local governments to communities in the NT, regional councils provide a range of additional community services and programs to remote communities. This is enabled either through contractual arrangements with NT and Commonwealth agencies for service provision or community program funding obtained through Commonwealth and NT funding programs.

Grant monies from Commonwealth and NT Government funding programs enable regional councils to offer remote communities a range of local community programming. The regional and shire councils are the largest employer of Aboriginal people in regional and remote areas with between 60–80 per cent of the workforce made up of Aboriginal people. These councils receive in excess of 90 per cent of their revenues from government grants.

In 2020–21, the **Australian Capital Territory** Government worked closely with the Domestic Violence Prevention Council (DVPC) Aboriginal and Torres Strait Islander Reference Group on prioritising the most important recommendations from the first Annual Report for the ACT Aboriginal and Torres Strait Islander Agreement 2019–2028 (the Report), which was presented in the ACT Legislative Assembly in April 2020. As a result of this work, the DVPC Aboriginal and Torres Strait Islander Reference Group in partnership with the ACT Government is working to establish a dedicated service for Aboriginal and Torres Strait Islander women.

The ACT Government recently committed additional funding through the Family, Domestic and Sexual Violence National Partnership Agreement 2021–2023 to the Victims of Crime Commissioner for a dedicated Aboriginal and Torres Strait Islander worker as part of the ACT Family Violence Safety Action Pilot.

In 2020–21, the Office for Aboriginal and Torres Strait Islander Affairs (OATSIA) established a purpose-built facility with Gugan Gulwan Youth Aboriginal Corporation, to better deliver essential services. A total of \$425,000 was provided to complete the design phase of the project.

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

The Ngunnawal Bush Healing Farm (NBHF) Healing Framework, co-designed with Ngunnawal Elders and the Healing Foundation, was provided to the NBHF Board in June 2021. The Healing Framework will guide the practice of NBHF and partner agencies in supporting the healing of people in their care.

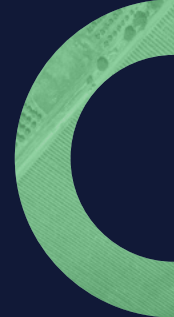
The ACT Aboriginal and Torres Strait Islander Business Development and Entrepreneurship Program was extended twice in 2020–21 to deliver support to ACT Aboriginal and Torres Strait Islander-owned businesses.

The **Australian Local Government Association** (ALGA) reported that in 2020, ALGA, the Commonwealth, state and territory governments, and the Coalition of Aboriginal and Torres Strait Islander Peak Organisations signed the National Agreement on Closing the Gap, a framework to accelerate improvements in life outcomes for First Nations people. Local government will play an essential role in helping to develop and implement place-based policies, in partnership with local Indigenous peoples, that achieve the outcomes under the National Agreement. ALGA will prepare an Implementation Plan under this Agreement to ensure local governments understand the National Agreement and are equipped to direct their planning and collaboration to best effect.



Appendix A

National Principles



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

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

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

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

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

A. General purpose

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

1. Horizontal equalisation

The general purpose component will be allocated to local governing bodies, as far as practicable, on a full horizontal equalisation basis as defined by the Act. This is a basis that ensures each local governing body in the state or territory is able to function, by reasonable effort, at a standard not lower than the average standard of other local governing bodies in the state or territory. It takes account of differences in the expenditure required by those local governing bodies in the performance of their functions and in the capacity of those local governing bodies to raise revenue.

2. Effort neutrality

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

1. Identified road component

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

Figure 7 What is horizontal equalisation?

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

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

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

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

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



Appendix B

Jurisdictional submissions

Report from the New South Wales Government

New South Wales methodology for distributing the Financial Assistance Grant for 2020–21

The New South Wales Local Government Grants Commission's (the Commission) distribution methodology for the Financial Assistance Grant (FA Grant) has been under review since 2013. As a result, in 2018–19, the Commission commenced transitioning to a revised version of the existing model of the expenditure allowance in the general purpose component. All other elements of the methodology are being retained. The two components of the grant 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). The relative need is determined by comparing each council's individual measure against the state average measure.

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 Neutrality Principle, council policy decisions concerning the level of service provided, or if there is a service provided at all, are not considered.

This year is the third year of a transition period to the revised model. The transition has been entered into to smooth the impact of changing grant outcomes. The current transition approach is to apply a 5 per cent upper limit on increases and zero per cent lower limit on council's previous general purpose component. No council is receiving a decrease during the transition. Expenditure allowances were calculated based on five council services. These services are: 'recreation and cultural'; 'administration and governance'; 'community and amenity'; 'community services and education'; 'roads, bridges and footpaths'; and 'public order, safety, health, and other'.

An additional allowance is calculated, for councils outside the Sydney statistical division, that recognises the additional cost of isolation and the formula uses population, a council's distance from Sydney, distance from the nearest regional centre and a five-year rolling averaged additional expenditure.

The general formula for calculating the expenditure allowances is:

Number of units multiplied by standard cost multiplied by disability factor

where:

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

A disability factor is the Commission's estimate of the additional cost, 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 20 per cent more than the standard to provide recreational services, the disability factor would be 20 per cent. Consistent with the Effort Neutrality 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, using materiality testing, the Commission has identified a variable or a number of variables that are considered to be the most significant in influencing a council's expenditure on that particular service. A key disadvantage is a smaller population. These variables are termed disability factors. A council may have a disability due to inherent factors such as smaller populations, higher Aboriginal and Torres Strait Islander populations, amount of environmental land, rainfall, topography and drainage index score, and local road length. In addition to disabilities identified by the Commission, other disabilities relating to individual councils may be determined. These may arise where circumstances have been identified as a result of holding public hearings with councils or of special submissions. Following the review, there have been no individual cases of discretionary disabilities except for councils eligible for the relative disability allowance. However, the Commission does research issues raised by councils and tests the data, for example the Socio-Economic Index For Areas (Australian Bureau of Statistics), before making a determination.

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

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

where:

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

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

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 who 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. As part of the Commission's review, property values were tested and found to have a strong statistical relationship as a proxy for revenue-raising capacity. Importantly, property values are also considered to be a useful indicator of the relative economic strength of local areas.

The Commission's methodology compares land values per property for the council to a state average value and multiplies the result by a state average rate-in-the-dollar. 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 Neutrality Principle).

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

In developing the methodology, the Commission was concerned that use of natural weighting would exaggerate the redistributive effect of the average revenue standards. That is, the revenue allowances are substantially more significant than the expenditure allowances. This issue was discussed with the Australian Government and the agreed principles provide that '*revenue allowances may be discounted to achieve equilibrium with the expenditure allowances*' (see section headed 'Principles' 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 it 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 grant 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 councils' requirements for capital expenditure because of the practical and theoretical problems involved. In order to assess capital expenditure requirements, the Commission would have to undertake a survey of each council's infrastructure needs and then assess the individual projects for which capital assistance is sought. This would undermine council autonomy, because the Commission rather than the council, would be determining which projects were worthwhile. Further, councils that had failed to adequately maintain their assets could be rewarded at the expense of those that undertook maintenance.

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 Grant 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 Neutrality Principle). Similarly, losses are not considered either. Further, the review of the model found no significant statistical relationship between charges and fees and costs to councils.

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.

The levels of a council's individual expenditure on a particular service do not affect a council's grant. 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 grant. 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 grant. Categories simply provide a convenient method of grouping councils for analysis purposes.

Local road component

The method of allocating the local road component is based on a simple formula developed by the former New South Wales roads authority. The formula uses councils' proportions 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 are as follows.

Expenditure allowances

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

$A_c = N_c$ multiplied by E_s multiplied by D_c

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

Isolation allowances

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

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

where: A_c = the isolation allowance for each council
 P_c = the adjusted population for each council
 D_{sc} = the distance from each council's administrative centre to Sydney
 D_{nc} = the distance from each council's administrative centre to the nearest major regional centre (a population centre of more than 20,000)
 I_c = the additional per capita allowance due to industrial award obligations (if applicable)
 $K1$ 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 grants received by the council for the expenditure service
 Nc = number of units to be serviced by council
 Es = standard weighting of the cost impact of the service
 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
 Tc = council's value per property.

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

- Ts = the sum of rateable values for all councils divided by the sum of the number of properties for all councils

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

- ts = the sum of the net rates levied for all councils divided by the sum of rateable values for all councils

Pensioner rebates allowances

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

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

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

The standardised rebate for the council (Rc) is:

$R_c = 0.25$ multiplied by T_c multiplied by t_s

where: T_c = the average value per residential property in the council
 t_s = the standard tax rate (rate-in-the-dollar) for residential properties.

The maximum value for R_c is set at \$125. T_c and t_s 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. The general purpose grant 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, to Aboriginal communities, equitable treatment in regard to their access and internal local road needs.

1. Urban [metropolitan] area

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

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

2. Rural [non-metropolitan] area

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

3. Initial distribution

- a. 27.54 per cent to local roads in urban areas
- b. 72.46 per cent to local roads in rural areas.

4. Local road grant in urban areas

Funds will be allocated:

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

5. Local road grant in rural areas

Funds will be allocated:

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

6. Data

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

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

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

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

Changes to the methodology for distributing funding for 2020–21 from that used in 2019–20

The NSW methodology for distributing funding in 2020–21 has not essentially changed from that used in 2019–20.

Table 16 Summary of the key changes to methodology in NSW

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

The \$5 million relative disability allowance was introduced in 2018–19 by the Commission to assist in better achieving horizontal fiscal equalisation (HFE). In 2020–21, after determining the per capita minimum amount, \$4.5 million (0.8 per cent of the total pool) was quarantined from the Consumer Price Index (CPI) increase. The reduction in 2020–21 was due to a significantly lower CPI increase. This was allocated to councils eligible for the isolation allowance, councils with population decline and councils with unsealed local roads. One and a half million dollars was applied using the isolation allowance formula, and the remaining \$3 million was divided (based on the number of eligible councils) into \$2.255 million for unsealed local roads and \$745,000 for population decline.

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

Developments in relation to the use of long-term financial and asset management plans for 2020–21

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

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

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

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

The Auditor-General's Report on Local Government 2020 noted an increase in councils undertaking early close procedures allowing issues and risks to be addressed early in the financial audit process. This included completing infrastructure, property, plant and equipment valuations and performing fair valuation assessments before 30 June.

The Office of Local Government continues to work with and support councils to improve their financial performance, reporting and systems to ensure they are best placed to provide key services and infrastructure to the local community. To help build financial literacy to support decision making within local councils, OLG has been working to expand the suite of financial and accounting resources available to councils.

In March 2022, OLG is set to deliver a series of webinars and information sessions for new councillors across the state, which will include information about financial management, strategic planning and the integrated planning and reporting framework. The series of online sessions for General Managers will focus on their key role in financial management, from accounting practice, financial management and reporting.

These councillor and General Manager training sessions will build on the one-hour online information session about the fundamental aspects of accounting and financial reporting

made available to all councils in August 2021. The recording is delivered via an audio recording and PowerPoint presentation. All council staff and all councillors continue to be strongly encouraged to make use of this back-to-basics financial information session, which adds to OLG's growing suite of financial and accounting resources.

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 2020–21

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 performing.

The platform is being updated to include other local government data including housing, employment and population data that are used to measure council's performance across various disciplines. The integrated website aims to provide one stop for communities to view their council's performance across various disciplines.

The data is also available on the Office of Local Government website in time series format which enables comparisons, against a range of performance indicators, between councils.

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

Throughout 2019–20 the Office of Local Government continued to work closely with the NSW Audit Office, which plays a key role in conducting financial and performance audits under the *Local Government Act 1993*. This engagement has contributed to improvements in sector financial reporting, including through the Local Government Code of Accounting Practice and Financial Reporting and other guidance, training and support to councils in NSW. Insights from these audits also continue to provide valuable input to ongoing work to develop improved comparative performance measures at a state level over time.

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

Legislative and other reforms undertaken during 2020–21

In 2020–21, the NSW Government continued to focus on consolidating key reform priorities to improve council performance, integrity, transparency and accountability, to streamline regulation and to build the strategic capacity of local councils so they are better placed to serve their local communities. In addition, a number of reform activities were driven by the

need to support local councils in responding to the challenges of the COVID-19 pandemic and bushfires.

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

- progressing and implementing the *Local Government Amendment Act 2021*, including reforms to ensure a fairer and more flexible rating system for councils and ratepayers, reforms to councillor superannuation, and minor changes relating to council elections and the terms of office of chairs of county councils and joint organisations
- reforming impounding laws in NSW by progressing the *Public Spaces (Unattended Property) Act 2021* (passed but not yet in effect), which is outcomes-focused and puts the onus on those responsible to manage their items and animals within risk-based timeframes or face strong regulatory action
- undertaking a review of the Joint Organisation (JO) framework to evaluate its effectiveness and ensure that JOs can deliver their core functions, with an inter-agency forum involving state agencies established to take the recommendations of the review forward
- implementing reforms to modernise and improve local government elections, including amendments to the *Local Government (General) Regulation 2021* to support the NSW Electoral Commission's COVID mitigation strategy for the 2021 council elections
- introducing a new mandatory risk management and internal audit framework for NSW councils to be implemented from 2022 onwards.

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

- progressing a review of the tendering provisions of the *Local Government (General) Regulation 2021* to identify possible amendments to support councils in making better use of technology when tendering to achieve greater efficiencies
- commencing an independent review of the framework for dealing with councillor misconduct in NSW
- progressing animal rehoming reforms including the release of new Guidelines for Designated Rehoming Organisations
- improving local council meeting practice through the release of the Model Code of Meeting Practice for Local Councils in NSW to allow attendance at meetings by audio-visual link
- providing updated guidance to councils on the appointment and dismissal of senior staff (other than the General Manager), informed by recommendations of the Independent Commission Against Corruption (ICAC)
- commencing a review of General Manager and senior staff remuneration.

Initiatives undertaken and services provided by local government to Aboriginal and Torres Strait Islander communities for 2020–21

Integrated Planning and Reporting

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

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

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

Roads to Home Program

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

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

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

This leads to improvements in services like:

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

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

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

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

Closing the Gap

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

OLG has worked closely with Aboriginal Affairs NSW, at an Officer Level Working Group, to explore innovative approaches that will contribute to closing the gap.

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

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

Councillor Diversity Program

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

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

The 2021 local government elections saw an increase in First Nations councillors, and OLG is committed to addressing longer-term strategies, as identified by First Nations councillors in the report, in consultation with relevant areas of the Department of Planning and Environment and other Government agencies.

OLG anticipates that these strategies, when implemented, will also increase Aboriginal employment in local government.

Report from the Victorian Government

Victorian Local Government Grants Commission methodology: 2020–21 grant allocation

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

Methodology for general purpose grant

The Victorian Local Government Grants Commission's methodology for allocating general purpose grant 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 grant 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 grant and actual grant.

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 grant pool and so reduce the amount allocated on a formula basis.

Standardised expenditure

Under the Commission's general purpose grant 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 Commission's model matches the pattern of actual council expenditure.

The total recurrent expenditure across all Victorian councils in 2018–19 was \$8.976 billion. Under the Commission's methodology, the gross standardised expenditure in the allocation model for 2020–21 therefore also equals \$8.976 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 below.

Table 17 Victoria's major cost drivers and average expenditures

Expenditure function	Major cost driver	Average expenditure per unit (\$)
Governance	Modified population	63.89
Family and community services	Population	136.74
Aged and disabled services	Population >60 plus disability pensioners plus Carer Allowance recipients	346.40
Recreation and culture	Modified population	312.52
Waste management	Number of dwellings	376.18
Traffic and street management	Modified population	142.94
Environment	Modified population	72.43
Business and economic services	Modified population	169.86

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

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

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

Cost adjustors

A number of cost adjustors are used in various combinations against each function. These allow the 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 in the calculation of the 2020–21 general purpose grant are: aged pensioners; population growth; economies of scale; population less than 6 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.

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 2018–19) is shown below.

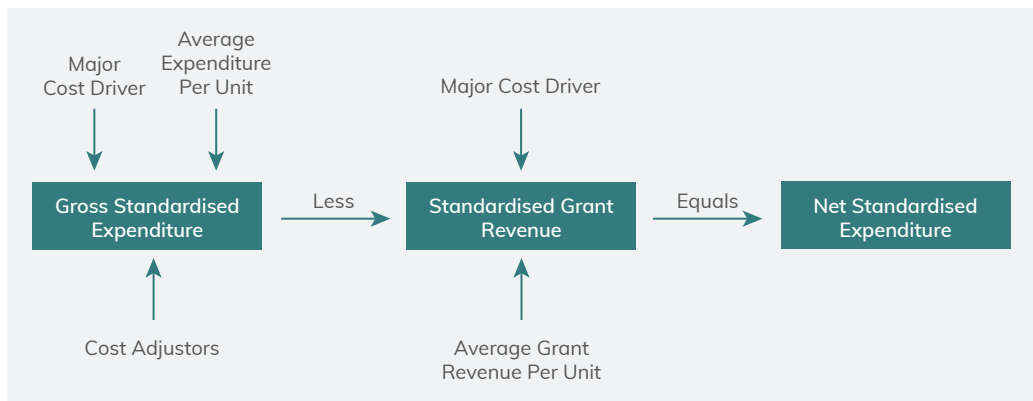
Table 18 Victoria's average grant revenue

Expenditure function	Major cost driver	Average grant per unit (\$)
Governance	Modified population	2.58
Family and community services	Population	41.44
Aged and disabled services	Population > 60 plus disability pensioners plus Carer Allowance recipients	169.97
Recreation and culture	Modified population	7.32
Waste management	Number of dwellings	0.49
Traffic and street management	Modified population	2.55
Environment	Modified population	1.22
Business and economic services	Modified population	0.92

Net standardised expenditure (for each function)

Diagrammatically, the calculation of net standardised expenditure for each expenditure function is as follows.

Figure 8 Victoria's net standardised expenditure



Standardised expenditure for the Local Roads and Bridges expenditure function within the general purpose grant model is based on the grant outcomes for each council under the Commission's local roads grant model. 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 grant and a proportion of Roads to Recovery grant) 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 four-year average of valuation data.

The derivation of the average rates for each of the property classes is shown below.

Table 19 Victorian property classes – average rates

Category	Total average valuations (\$ billion)	Total rate revenue (\$ billion)	Average rate (\$/\$)
Residential	1521.632	4.326	0.00284
Commercial/industrial/other	266.011	0.954	0.00358
Farm	80.270	0.297	0.00369

The Commission constrains increases in each council's assessed revenue capacity to improve stability in grant outcomes. The constraint for each council has been set at the 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.

For each council, for 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 take account of 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 2018–19) are shown in the following table, along with the revenue adjustors applied.

Table 20 Victorian standard fees and charges

Expenditure function	Major driver (units)	Standard fees and charges per unit (\$)	Revenue adjustors
Governance	Population	17.49	Nil
Family and community services	Population	10.94	Socio-economic
Aged and disabled services	Population > 60 plus disability pensioners plus Carer Allowance recipients	35.73	Household income
Recreation and culture	Population	21.13	Nil
Waste management	Number of dwellings	35.33	Nil
Traffic and street management	Population	9.60	Valuations (per cent commercial)
Environment	Population	1.14	Nil
Business and economic services	Population	41.85	Tourism plus value of development
Local roads and bridges	Population	2.20	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

The Commission recommended that the following limits be applied to movements in general purpose grant outcomes for 2020–21:

- upper limit of +5 per cent applied to increases in grant outcomes for all councils
- rural councils to receive a grant that is at least one per cent greater than in 2019–20.

Methodology changes

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

Prior to determining the 2020–21 allocations, the Commission reviewed several key aspects of the formula, but did not make any changes to the underlying methodology.

The Commission did, however, adjust the valuation data used in the calculation of standardised rate revenue for two councils – Towong and East Gippsland Shire Councils. This recognised the significant and immediate impact on the valuation bases of those two councils resulting from the December 2019 to January 2020 bushfires.

Minimum grant

The available general purpose grant pool for Victorian councils represents, on average, \$70.01 per head of population (using ABS population estimates as at 30 June 2019). The minimum grant national distribution principle requires that no council may receive a general purpose grant that is less than 30 per cent of the per capita average (or \$21.03 for 2020–21).

Without the application of this principle, general purpose grants for 2020–21 for 16 councils – Banyule, Bayside, Boroondara, Darebin, Glen Eira, Hobsons Bay, Kingston, Manningham, Melbourne, Monash, Moonee Valley, Port Phillip, Stonnington, Whitehorse and Yarra – would have been below the \$21.03 per capita level. The minimum grant principle has resulted in the general purpose grant to these councils being increased to that level. In 2020–21, Moreland City Council also reached minimum grant status. Mornington Peninsula had reached minimum grant status in 2019–20, but moved to just above that level for 2020–21.

Estimated allocations 2020–21

A summary of the changes in estimated general purpose grant allocations from 2019–20 to 2020–21 is shown below.

Table 21 Victorian changes in estimated general purpose grant allocations from 2019–20 to 2020–21

Change in general purpose grant	Number of councils
Increases limited to +5 per cent	1
Increases up to 5.0 per cent	55
Increases fixed at +1 per cent for rural councils	18
Decrease	5
Total	79

Natural disaster assistance

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

Twenty-three natural disaster assistance grants were provided to 19 councils from the 2020–21 allocation, totalling \$660,433.

Natural disaster assistance grants provided from the 2020–21 allocation are as follows.

Table 22 Victorian natural disaster assistance grants

Natural disaster assistance for 2020–21	Type of disaster	Amount (\$)
Ararat (RC)	Bushfire	34,219
Ballarat (C)	Floods & Storms	6,883
Campaspe (S)	Floods & Storms	35,000
Cardinia (S)	Bushfires	35,000
Hindmarsh (S)	Floods & Storms	1,493
Macedon Ranges (S)	Floods & Storms	4,798
Mansfield (S)	Floods & Storms	30,825
Mitchell (S)	Floods & Storms (2)	70,000
Moorabool (S)	Floods & Storms	15,667
Mount Alexander (S)	Storms	35,000
Murrindindi (S)	Floods & Storms	35,000
Nillumbik (S)	Floods & Storms	35,000
Pyrenees (S)	Floods & Storms (3)	105,000
South Gippsland (S)	Storms	35,000
Swan Hill (RC)	Floods & Storms	34,460
Towong (S)	Floods & Storms	35,000
Wangaratta (RC)	Storms	31,717
Wodonga (C)	Floods & Storms	18,245
Yarriambiack (S)	Floods & Storms (2)	62,126
Total		660,433

Methodology for local roads grants

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

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

Road and traffic volume data

The allocation of local roads grants for 2020–21 was based on road length and traffic volume data reported by all councils for the 12 months to June 2019.

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 132,420 kilometres of local roads as at 30 June 2019, an increase of 619 kilometres, or 0.5 per cent more than the length reported 12 months earlier.

Where significant changes were made to the data previously provided, councils were asked to verify those data changes and, in some instances, provide additional supporting documentation. In two cases where, after additional consultation with the councils concerned, the Commission was not able to be satisfied with the veracity of their local roads data changes, the proposed data changes were not accepted by the Commission.

Variations were as follows.

Table 23 Variations in Victoria's local road length

Change in length of local roads	Number of councils
Increase of more than 5.0 per cent	1
Increase of 1.0 per cent to 5.0 per cent	15
Increase of up to 1.0 per cent	27
No change	21
Decrease	15
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 2020–21 allocations were unchanged from the previous year and are as follows.

Table 24 Victorian asset preservation costs

Local road type	Daily traffic volume range	Annual asset preservation cost (\$/km)
Urban	< 500	7,200
	500 – <1000	9,800
	1000 – <5000	13,200
	5000 +	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 / sq m
Concrete Bridge		120 / sq m

Cost modifiers

The Commission's formula for allocating local roads grant 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
- 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 2020–21 allocation. However, the freight cost modifier was recalculated using data from the 2016 Census.

Grant calculation

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

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

Mathematically, the calculation of the network cost for a single traffic volume range for a council can be illustrated as follows.



* 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 grant movements

The Commission recommended that the following limits be applied to movements in local roads grant outcomes for 2020–21:

- no limit on increases in grant outcomes
- no rural council to receive a grant decrease.

Entitlements 2020–21

In general, where a significant change occurred in a council's local roads grant for 2020–21, this was due to a combination of:

- significant changes in traffic volume data supplied by the council to the Commission and/or
- movements in cost modifiers.

A summary of the changes in estimated local roads grant entitlements from 2019–20 to 2020–21 is shown in the following table.

Table 25 Victorian changes in estimated local roads grant entitlements

Change in local roads grant	Number of councils
Increase of more than 5.0 per cent	1
Increase of 1.0 per cent to 5.0 per cent	48
Increase up to 1.0 per cent	20
No change	5
Decrease	5
Total	79

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

Fair Go Rates System

Following the introduction of the Fair Go Rates System (FGRS) from 1 July 2016, an annual cap is applied to rate rises by Victorian councils. The rate cap percentage is set annually by the Minister for Local Government following consideration of advice received from the Essential Services Commission (ESC). 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. The following caps were applied:

- 2016–17 financial year 2.50 per cent
- 2017–18 financial year 2.00 per cent
- 2018–19 financial year 2.25 per cent
- 2019–20 financial year 2.50 per cent
- 2020–21 financial year 2.00 per cent.

The Local Government Act 1989 provides for a council to make application to the ESC to set a higher cap based on local circumstances and needs. The application can be for single or multiple years. The ESC assesses each application on its merits.

For the 2020–21 financial year, no councils applied to the ESC for a new variation to the 2020–21 rate cap. Three councils had existing, previously approved higher rate caps that continued into 2020–21.

In December 2020, the ESC released its annual report on council rate cap compliance. The report found that, for 2020–21, 76 Victorian councils complied with the FGRS. The remaining three councils were immaterially non-compliant with the average rate cap.

Rural and Regional Councils Sustainability Program

In 2016, the Victorian Government commissioned a report into rural and regional council sustainability. The report was undertaken by consultants KPMG and involved a number of council and community-based workshops across the state.

In December 2017, the Rural and Regional Councils Sustainability Reform Program report was released. This report provided the documentary evidence of the enablers and inhibitors to financial and operational sustainability.

This report proposed addressing financial and operational sustainability through three key reform themes:

- **State local government alliance**, (sustainable service delivery and funding models)
- **Operational transformation**, (regional service delivery, a modern digital strategy and small shire stabilisation)
- **Stronger local governance**, (building local capacity and innovative community engagement).

In response to this report and following extensive engagement with the sector, the Victorian Government developed the Rural Council Transformation Program which was launched in August 2018. This program provided a \$20 million fund to encourage transformation across rural and regional Victoria. Four regional groupings, comprising 19 local governments were successful in the funding application.

The magnitude and complexity of these reform initiatives, including major ICT enhancements, will require implementation over a number of financial years.

Throughout 2020–21, two projects proceeded with their procurement phase. Due to bushfires, the COVID-19 pandemic and competing internal priorities, two projects were unable to continue development. The funding allocated to these two projects has been repurposed for a second round of funding under the Rural Councils Transformation Program.

Commencing in 2021–22, round 2 funding will support smaller-scale collaboration and resource-sharing arrangements with rural councils, improving their sustainability while meeting immediate challenges.

Long-term financial planning

Victorian councils have significant economic responsibilities as they collectively own and manage community assets and infrastructure worth in excess of \$114 billion. Robust asset management practices and responsible strategic financial planning are therefore required to ensure councils maintain and renew these long-lived assets appropriately to remain financially sustainable over the long term.

The *Local Government Act 2020* introduced legislative requirements for all Victorian councils to develop and adopt a 10-year Financial Plan and a 10-year Asset Plan. Both plans must be subject to community engagement including deliberative engagement practices. An extensive program of co-design was delivered to support councils in the development of their financial and asset plans.

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

Local Government Performance Reporting Framework and the Know Your Council website

In 2020, the Local Government Performance Reporting Framework collected its sixth year of sector performance data from all Victorian councils. Established in November 2015 and launched by the Minister for Local Government, the framework and the related Know Your Council website (<https://knowyourcouncil.vic.gov.au>) is designed to improve council transparency and accountability through enabling the community to access and compare council performance.

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

On 9 December 2020, the 2019–20 data was released publicly with 17,200 users visiting the site in the first 72 hours. As well as comparing councils, users can view trend data in addition to reading commentary from council explaining the context of their performance results.

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

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

In May 2021, workshops were undertaken with the local government sector to review and recommend changes to the sector-wide performance indicators within the LGPRF. These recommendations will be used in the continual improvement of the reporting framework.

Local government reform activities including deregulation and legislative changes

Legislative reform

The *Local Government Act 2020* provided for new longer-term requirements for local government financial and asset planning. A co-design process in 2020–21, between the state government and councils, developed a draft integrated strategic planning and reporting framework to support councils to implement the new legislative requirements.

Councils are now required to devise finance and asset plans with a 10-year time horizon with community engagement. The new longer-term planning requirements are now integrated with other council plans and policies.

Aboriginal and Torres Strait Islander community initiatives

Consultation on the Victorian Aboriginal and Local Government Strategy 2021–2026 (VALGS) began in 2019 and has continued through 2020–21. The finalisation of the Strategy is a key priority for the Department of Jobs, Precincts and Regions as a named Action in Victoria's *Closing the Gap Implementation Plan*.

The Strategy is being developed to support Aboriginal Victorians and local and state governments to work together to create a meaningful and locally driven pathway to self-determination.

Over 2020–21, DJPR engaged in numerous consultations with Traditional Owners, peak local government bodies, Aboriginal communities and local governments to frame the direction of the Strategy.

This included a dedicated steering committee comprised of members of the Victorian Aboriginal Employment and Economic Council, Reconciliation Victoria, and Traditional Owner organisations. The steering committee was formed to ensure the Strategy aligns with Victoria's self-determination framework and is focused on the role local government plays in supporting Aboriginal employment and economic development, and the health and wellbeing of the Aboriginal community.

DJPR began developing guidance for the local government sector to promote meaningful engagement between councils and Traditional Owners, Aboriginal Community Controlled Organisations and the wider Aboriginal community, particularly through the development of council strategic planning processes. This was another Action listed in Victoria's Implementation Plan.

Further work to finalise the Strategy and sector guidance will continue in 2021–22.

During the 2020–21 year, Local Government Victoria has continued to:

- support the Maggolee website as a platform that promotes good practice in local government and Aboriginal community partnerships
- improve local government and Traditional Owner engagement strategies of current and future Recognition and Settlement Agreements
- support the Victorian Local Governance Association's Your Community, Country and Council project to encourage Aboriginal and Torres Strait Islander peoples to nominate as candidates in Victorian local government elections.

Report from the Queensland Government

Methodology used by the Local Government Grants Commission to distribute funding under the Financial Assistance Grant program to local government for 2020–21

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

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

General purpose component

A new methodology was implemented for the general purpose grant (GPG) in 2011–12 and has continued to be used since then. The methodology complies with the National Principles and there were no changes made for the 2020–21 grant allocation.

As in previous years, every local governing body in Queensland is entitled to a minimum grant under the National Principles. This minimum grant is equivalent to a per capita distribution of 30 per cent of the GPG pool. In 2020–21, this amount equated to \$21.00 per capita. The remaining 70 per cent of the GPG pool is distributed based on relative need, according to the National Principles.

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

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

Assessing revenue

The Commission uses the revenue categories of:

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

Rate revenue assessment

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

Figure 9 Queensland rating assessment

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

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

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

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

All other revenue assessment

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

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

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

Revenue assessment model

The following table provides summary information on the drivers and units of measurement for each revenue category.

Table 26 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	\$572 per residential property
Fees and charges	Population	\$351 per capita
Other grants	Actual grant received	Identified Road Grant (50 per cent used) Queensland Government Financial Aid (20 per cent) Minimum grant component of the General Purpose Grant (100 per cent)

Assessing expenditure

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

1. Administration
2. Public order and safety
3. Education, health, welfare and housing
4. Garbage and recycling
5. Community amenities, recreation, culture and libraries
6. Building control and town planning
7. Business and industry development
8. Roads
9. Environment.

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

Table 27 Outline of expenditure assessment 2020–21

Service expenditure category	2020–21 unit of measure	Services cost adjustor for location (Yes/No)	Services cost adjustor for demography– Indigenous; Age; Indigenous / age (Yes/No)	Services cost adjustor for scale (Yes/No)
Administration	Actual remuneration category + \$446 per capita + \$454 per property or \$149 per capita (for Indigenous councils)	Yes	No	Yes
Public order and safety	\$37 per capita	Yes	Yes	Yes
Education, health, welfare and housing	\$29 per capita	Yes	Yes	Yes
Garbage and recycling	\$394 per residential property / \$121 per capita (Indigenous councils)	Yes	No	Yes
Community amenities, recreation, culture and libraries	\$241 per capita	Yes	Yes	Yes
Building control and town planning	\$174 per residential property / \$53 per capita (Indigenous councils)	Yes	No	Yes
Business and industry development	\$56 per capita	Yes	No	Yes
Environment	\$116 per residential property / \$38 per capita (Indigenous councils)	Yes	No	Yes
Roads	Road expenditure assessment (see below)	Yes	No	Yes

Roads Expenditure

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

Table 28 Queensland road expenditure assessment model

Rural or Urban	Traffic volume range (in adjusted vehicles per day)	Base cost (in dollars per km)	Cost adjustor for climate – favourable (T.I. –50) (in %)	Cost adjustor for climate – adverse (T.I. + 100) (in %)	Cost adjustor for soil sub-grade – good (CBR greater than 10) (in %)	Cost adjustor for soil sub-grade – poor (CBR less than 5) (in %)	Cost adjustor for soil sub-grade – M.R. Reactive (in %)	Cost adjustor for locality on-cost – less than 1.0p per sq km (in %)	Cost adjustor for locality on-cost – less than 0.1p per sq km (in %)	Cost adjustor for terrain – undulating (in %)	Cost adjustor for terrain – hilly (in %)	Cost adjustor for terrain – mountainous (in %)
Rural	Unformed	383	0	25	0	0	0	5	10	2	5	0
Rural	Less than 40	766	0	20	0	0	0	5	10	2	5	0
Rural	40 to 150	3,662	0	20	0	10	10	5	10	2	5	0
Rural	150 to 250	6,655	–10	15	–5	10	10	2.5	5	2	5	10
Rural	250 to 1,000	9,396	–7.5	10	–5	10	10	2.5	2.5	2	5	10
Rural	1,000 to 3,000	11,897	–7.5	10	–5	10	10	2.5	2.5	2	5	10
Rural	Greater than 3,000	16,386	–7.5	10	–5	10	10	2.5	2.5	2	5	10
Urban	Less than 500	13,091	–7.5	10	–2.5	5	5	2.5	2.5	0	2	5
Urban	500 to 1,000	20,358	–7.5	10	–2.5	5	5	2.5	2.5	0	2	5
Urban	1,000 to 5,000	32,363	–7.5	10	–5	10	10	2.5	2.5	0	2	5
Urban	5,000 to 10,000	58,701	–7.5	10	–5	10	10	2.5	2.5	0	2	5
Urban	Greater than 10,000	100,327	–7.5	10	–5	10	10	2.5	2.5	0	2	5

Notes: T.I. = Thornthwaite Index; CBR = California Bearing Ratio; M.R. = Main Roads

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

Table 29 Allowances given for heavy vehicles

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

Table 30 Assessment amounts for other road structures

Bridges and hydraulics	Amount (\$)
Area of bridges (m ²): timber	31
Area of bridges (m ²): concrete	14
Area of bridges (m ²): other	18
Number of minor culverts (<6m)	70
Number of major culverts (>6m)	423
Area of floodways (m ²)	0.59

Cost adjustors

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

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

Table 27 above, headed *Outline of expenditure assessment 2020–21*, identifies which cost adjustors are applied to the service categories.

Scaling back

The Commission again used an equal weighting of proportional and equalisation scaling to ensure that each council received an equitable allocation, as the aggregate assessed need exceeded the quantum of the available funding for 2020–21.

Application of the Minimum Grant Principle

In 2020–21, the Commission determined, on the basis of the methodology, that the following councils were to receive the minimum grant component of the GPG only:

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

Changes to the methodology for distributing funding to local government under the Financial Assistance Grant program for 2020–21 from that used for 2019–20

There were no changes made for the 2020–21 grant allocation.

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

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

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

In October 2016, the Auditor-General of Queensland tabled a report, on forecasting long-term sustainability of local government, containing recommendations for improvement. Individual local governments in Queensland continue to implement these 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 2020–21. This report assists local governments in their endeavours to develop new and more effective ways to deliver their services by providing an effective tool by which they can monitor trends over time and benchmark services' performance both internally and with other councils.

Reforms undertaken during 2020–21 to improve the efficiency and effectiveness of local government service delivery

Working with local governments, the Queensland Government:

- continued to deliver local government capacity building programs for more than 1,700 participants including mayors, councillors, council officers and election candidates. The 2020–21 programs included 65 workshops on conflicts of interest and integrity matters that were attended by 732 mayors, councillors and council employees. The register of interests training was attended by 386 people and the Tropical Financial Statements workshops saw 224 participants gaining a better understanding of financial management and decision-making
- commenced a leadership development program for 89 female councillors. The Women Leading in Local Government program has been designed to increase the leadership capabilities of women councillors through training, support and coaching
- implemented a new eGrant management system, underpinning more efficient and effective delivery of grants to local governments
- finalised the Rural and Remote Councils Compact to support the way government and councils work together to address key issues facing rural and remote communities.

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 2020–21, \$36.296 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 is being delivered over five years. The aim of ICCIP is to support Indigenous councils to deliver projects and infrastructure works relating to critical water, wastewater and solid waste assets, and provide a basis for the long-term strategic management of essential assets. It is available to all Indigenous local governments.

Project work commenced in July 2019 on the Queensland Government's 2019–2021 Works for Queensland Program. This program supports 65 regional councils to undertake job-creating maintenance and minor infrastructure projects. The \$200 million 2019–2021 program was allocated to 65 councils with \$26.550 million being allocated to Queensland's 16 Indigenous councils. Delivery of projects under this round of funding continued through to 30 June 2021.

Other funding provided by the Queensland Government to Indigenous councils in 2020–21 included \$3.525 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 by 31 December 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.

Twelve priority infrastructure projects totalling \$10.524 million were approved for nine Indigenous council areas under the 2019–2021 Local Government Grants and Subsidies program. These projects were delivered progressively over the 2019–20 and 2020–21 financial years.

Input on local government reform activities, including deregulation and legislative changes, by the jurisdiction during the 2020–21 reporting period

The Queensland Government's rolling local government reform agenda continued during 2020–21 with reforms to improve transparency, integrity and consistency in the local government system. Key measures that commenced in October 2020 included:

- *Electoral and Other Legislation (Accountability, Integrity and Other Matters) Amendment Act 2020*
 - new register of interest requirements for councillors and councillor advisors to align with the requirements applying to State Members of Parliament
 - new and clarified conflict of interest requirements for councillors
 - new framework for the engagement of councillor advisors
 - new requirements about providing administrative support to councillors.
- *Local Government Legislation (Integrity) Amendment Regulation 2020*
 - new and amended requirements for the organisation and conduct of local government meetings, including committee meetings
 - new and amended requirements for the management of registers of interests, including the particulars to be disclosed
 - approval of a new Code of Conduct for Councillors.
- *Local Government Legislation Amendment Regulation (No. 1) 2020*
 - amended procedures for the sale of land by local governments
 - new disclosure obligations in relation to local government controlled entities
 - new requirements relating to councillors' current and recent interests, including the publication of extracts.

A number of temporary legislative measures were put in place during 2020–21 in response to the COVID-19 public health emergency. These measures aim to protect the health, safety and welfare of persons and facilitate ongoing local government administration:

- flexibility to facilitate the holding of COVID-safe local government elections and by elections
- local governments able to make extraordinary rating decisions (if required) to help safeguard revenue streams (extended to apply to the 2021–22 financial year)
- local government meetings able to be held by audio or audio visual link and to be closed to the public
- persons able to answer questions related to a councillor conduct investigation either in person, by audio or audio visual link, or by email or other electronic means.

Report from the Local Government Association of Queensland (LGAQ)

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

As the Queensland Auditor-General identified in the report, *Local Government 2020 (Report 17: 2020–21)* – ‘the 2021 QAO [Queensland Audit Office] report’ – asset management is critical to the long-term sustainability of the local community and indeed the local government sector.

A range of factors affect each council's long-term sustainability including size and location, population, ability to raise or increase own-source revenue, lack of federal and state funding certainty, and an increasing requirement to fill service delivery gaps to meet community expectations and legislative requirements.

Queensland councils have long been calling for an improved and tailored performance assessment framework to ensure financial sustainability is assessed in a way that reflects the diversity of local government across the state. Factors such as finances, asset management, compliance, operating environment, and governance all impact upon a council's overall sustainability so they need to be taken into consideration when formulating a revised financial sustainability assessment framework.

One of the central planks of an effective asset management plan is reliant on good data about assets. In the 2021 QAO Report, it was found that nine councils reported ‘found asset’ changes to their financial statements for a total of around \$230 million for the 2019–20 financial year. This was an increase from the previous year in terms of the number of councils, but a significant decrease with respect to the value of found assets.

In response to this ongoing challenge of ensuring effective long-term financial and asset management and to improve valuation and asset management practices, the Queensland Auditor-General recommended that:

- Councils need to engage with asset valuers early to complete the valuation of assets well before year end.
- Councils need to use accurate information in their long-term asset management strategies and budget decisions.
- Councils need to regularly match the asset data in their financial records to the asset data in their engineering/geographic information systems to ensure it is complete and reliable.

Effectively managing council balance sheets continues to be a major challenge for the local government sector, which has been exacerbated by the economic conditions caused by the COVID-19 pandemic. As the Queensland Auditor-General noted in the 2021 QAO Report, ‘as of 30 June 2020, 25 councils are at a high risk of not being financially sustainable. This is 4 more councils than last year and represents approximately one-third of the sector.’

While the Queensland Government will formally respond to the 2021 QAO Report and its recommendations, the LGAQ will continue to support our member councils with assistance in advocacy, governance and a range of other support services.

The LGAQ Policy Statement is a definitive statement of the collective voice of local government in Queensland. The relevant policy positions of local government in the context of financial sustainability are many and varied, but of particular note is the following:

1.4 Cooperative Partnerships with Federal and State Government

1.4.1 Partnerships will be strengthened by:

Access to adequate financial and other resources consistent with fiscal equalisation objectives and commensurate with local government's roles and responsibilities.

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

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

The 2021 QAO Report undertaken by the Queensland Auditor-General informs the ongoing comparative performance measures of Queensland's local government sector in relation to their financial reporting accountabilities.

Since 2013, the Department of State Development, Infrastructure, Local Government and Planning has required councils to measure their financial sustainability using three audited ratios:

- operating surplus ratio – the extent to which operating revenues cover operating expenses
- net financial liabilities ratio – the extent to which the operating revenues can meet the liabilities
- asset sustainability ratio – the extent to which assets are replaced as they reach the end of their useful lives.

These ratios are currently under review by the Queensland Government, in response to recommendations from the 2021 Report.

The next Queensland Auditor-General report on the local government sector is due to be tabled between April and June 2022. The report summarises the audit results of Queensland's 77 local government entities (councils) and the entities they control.

It will also include the results of the assessment of councils' financial statement preparation processes and include a focus on councils' use of discretionary funds, managing conflicts of interest, processing and approving development applications, accounting for damage to assets from natural disasters, and the continued impacts of the COVID-19 pandemic.

The Association has for many years maintained an online comparative performance measurement tool called Ready.Set.Go. Much of the data this service contained has now been replicated in the Queensland Audit Office's Local Government Dashboard (at <https://www.qao.qld.gov.au/2020-local-government-dashboard>) and, as a consequence, the Association is now reviewing its traditional service offering to its members.

Separately, the LGAQ has continued to invest in its LG Sherlock data analytics service and has recently relaunched several upgraded data services that provide council insights and comparative performance indicators into areas as diverse as electricity consumption, motor vehicles (fleet) and mobile phone use.

Reforms undertaken during 2020–21 to improve efficiency and effectiveness of local government service delivery

The Rural and Remote Councils Compact, signed on 25 June 2021, complements the existing Partnership in Government agreement in place between the LGAQ and the Queensland Government to provide a platform to ensure issues of priority for these communities are properly considered by the Government when developing policies, programs, and legislation.

The Rural and Remote Councils Compact pledges to amplify the voice of, and improve outcomes for, the state's 45 rural and remote councils and their local communities by enhancing engagement between both levels of government. Its key strategic priorities in 2021 are roads, housing, and financial sustainability.

Following the Queensland Government's release of the Local Government Sustainability Framework discussion paper and in preparation of the release of the new sustainability framework, the Rural and Remote Councils Compact will continue to engage with the local government sector and advocate for the liveability of Queensland's local communities. That is because every Queensland community contributes to the economic fabric of this nation and every Queensland community deserves to be a liveable one.

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

In Queensland there are 17 First Nations councils which are responsible for the full range of local government services to their 17 remote and discrete Aboriginal or Torres Strait Islander communities. There are also a small number of councils which host a significant First Nations population (greater than 30 per cent) and a further small number which have a discrete First Nations community within their council boundary areas. The common feature amongst these councils is that they are established under the same legislation and responsible for the same local government services as every other Queensland council. However, the 17 First Nations councils have additional cultural responsibilities which are resource consuming.

The First Nations councils have very minimal opportunities for own-source revenue and rely extensively on funding from the state, such as the annual State Government Financial Aid program, which is paid in lieu of rates to ensure the delivery of local government services and infrastructure, as well as other funding programs such as Works for Queensland and the Indigenous Councils Critical Infrastructure Program. Unfortunately, due to the limited resources available to councils, First Nations workers in these councils continue to be amongst the lowest paid workers in local government in Queensland and have difficulty attracting quality candidates to key critical roles.

The First Nations councils also are relied heavily upon by other spheres of government to consult upon First Nation community matters and regularly find themselves assuming the roles of champions and advocates for a range of community services that are the responsibility of the state and federal governments e.g. education, health, economic development, crime and policing and so on. A number of these councils also have a dual role as land trustee for their community.

In terms of servicing our member councils, the LGAQ has conducted three Indigenous Leaders Forums for mayors and councillors, with the initial forum being convened virtually in July 2020 due to COVID-19 travel restrictions. The other forums were hosted in-person in Cairns and were complemented with a series of Elected Member Updates that were able to be held on-country.

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

The LGAQ is also committed to working closely with our First Nations councils to boost their employment of local people through a unique-to-local Indigenous capacity building project. The program is funded by the Queensland Government and administered by the LGAQ and, since 2015, has trained over 3,435 council workers across the 17 First Nations councils.

Report from the Western Australian Government

The methodology used by the Western Australian Local Government Grants Commission to distribute funding under the Financial Assistance Grant program to local government for 2020–21

The Western Australian (WA) share of Commonwealth Financial Assistance Grant (FA Grant) funding for 2020–21 was \$303,079,665, being 11.84 per cent of the national allocation of \$2,559,991,715. WA's share consisted of \$182,774,908 for the general purpose component and \$120,304,757 for the local roads component.

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

General purpose grant

In 2020–21, 30 local governments (of the 137) received the minimum grant entitlement which equated to \$20.92 per capita. This was a decrease from 2019–20 when local governments received \$21.03 per capita. Collectively, the local governments receiving the minimum grant accounted for \$41.43m (22.6 per cent) of the total general purpose funding pool, while containing 75.4 per cent of the state's population.

Due to COVID-19 and its impact on local government finances, the Commission implemented a no-worse-off policy for general purpose grant to ensure no local government received less than in 2019–20.

The remaining funds were then distributed among the local governments that were furthest from their equalisation. As a result of the relatively stagnant growth in the grant funding pool for this period, and the implementation of the no-worse-off policy, the remaining amount for distribution was \$562,890. This amount was distributed among the local governments receiving significantly less than their calculated grant need. A total of 18 non-minimum grant local governments received an increase, 13 minimum grant councils received increases due to the per capita distribution, and all remaining local governments received the same grant as the 2019–20 financial year.

The Commission continues to use the balanced budget method for allocating general purpose grant. 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 a standardised mathematical formula updated annually and involves assessing the revenue-raising capacity of each local government in the categories of:

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

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

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

Cost adjustors

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

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

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

Table 31 Western Australian cost adjustors applied to expenditure standards

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

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

Table 32 Data sources utilised by the Western Australian Local Government Grants Commission

Data Type	Source
Accessibility Remoteness Index of Australia (ARIA++)	National Centre for Social Applications of GIS (GISCA)
Socio-Economic Indexes For Areas (SEIFA)	Australian Bureau of Statistics (ABS), Cat. No. 2033.0.55.001
Population, population forecasts	ABS Cat. No. 3218.0 as at 25 March 2020, Department of Planning – 2015 WA Tomorrow Growth Report
Population dispersion	ABS Quickstats for Townsite Populations
Regional centres	Determined by the Commission
Aboriginal population	2016 ABS Census QuickStats
Fire mitigation	Department of Home Affairs and Environment – Biophysical Attributes of Local Government
Cyclone	Australian Building Standards for Cyclone Prone Areas (Australian Building Code Board)
Off-road drainage data	Road Information Returns, Main Roads WA
Interest expenditure/investment revenue	WA Treasury Corporation, WA Local Government Grants Commission Information Returns
Valuations, area, assessments	Landgate (Valuer-General)
Residential, commercial and industrial rates, agricultural rates, pastoral rates, mining rates	WA Local Government Grants Commission Information Returns
Climate	Bureau of Meteorology

Equalisation averaging

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

Local road grant funding

The Commission distributes local road grant using the Asset Preservation Model which has been in place since 1992.

Under the arrangements approved for Western Australia, 7 per cent of the Commonwealth funds provided for local roads are allocated for special projects (one-third for roads servicing remote Indigenous communities and two-thirds for bridges). The remaining 93 per cent is distributed in accordance with road preservation needs, as determined by the Commission’s Asset Preservation Model (APM). The model assesses the average annual costs of maintaining each local government’s road network and has the capacity to equalise road standards through the application of minimum standards. These standards help local governments that have not been able to develop their road systems to the same standard as more affluent local governments.

Main Roads WA contributes an additional third of the cost of special projects funded under this program.

The amounts allocated for 2020–21 were as follows.

Table 33 Allocations of Commonwealth local road grant for special projects in Western Australia

Special projects component	Amount (\$)
Roads servicing Aboriginal communities	2,893,345
Bridges	5,786,689
Distributed according to the asset preservation model	111,624,723
Total	120,304,757

Special projects – roads servicing remote Aboriginal communities

In 2020–21, the special projects funds for Aboriginal access roads were as follows.

Table 34 Western Australian special projects funds for Aboriginal access roads

Special projects	Amount (\$)
Special project funds from the Western Australian Local Government Grants Commission	2,893,345
State funds from Main Roads Western Australia	1,446,673
Total	4,340,018

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

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

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

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

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

Special projects – bridges

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

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

In 2020–21, the special project funds for the preservation of bridges were as shown below.

Table 35 Western Australia 2020–21 special project funds for the preservation of bridges

Special projects – bridges	Amount (\$)
Special project funds from Commission	5,786,689
State funds from Main Roads	2,893,345
Total	8,680,034

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

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

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

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

Publications

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

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

Changes to the methodology to distribute funding to local government under the Financial Assistance Grant program for 2020–21, from that used for 2019–20

For 2020–21, 88 per cent of expenditure calculations were distributed using a per capita or per property allocation. The remaining 12 per cent was allocated by the cost adjusters to recognise costs which are outside of a local government's control.

While there were no major refinements to the methodology for 2020–21, a number of smaller changes were made to update the data and formulas.

Cost adjustors

Each year the Commission updates the indicator data used in the cost adjustors. This ensures that the calculations are accurate and equitable for the state. The Commission made no changes to the cost adjustors calculation method for the 2020–21 grant year.

Revenue standards

Revenue standard formulas

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

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

Residential, commercial and industrial rates

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

Agricultural rates

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

Pastoral rates

A regression-based formula was applied as it provided a far improved outcome. Weightings of 8 per cent on the assessment, 72 per cent on valuation and 20 per cent on area were used.

Mining rates

The Commission reviewed the mining revenue standard and found an update, to the regression analysis formula of 7 per cent on area, 65 per cent on valuations and 28 per cent on assessments, provided an improved correlation and outcome.

Investment income

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

Scaleback method

The Commission changed its phasing policy for the 2018–19 grant determinations. It had become apparent that due to the limited funding pool growth in recent years, the Commission

was unable to provide the desired increases in grant to local governments that were receiving significantly less than their general purpose equalisation need. As a result, in recent years the Commission has been transitioning local governments to a common scaleback to ensure equity between local government grant. This was paused for 2020–21.

Due to the impact of COVID-19 on the funding pool available for distribution, and concerns regarding local governments' financial positions as a result of the pandemic, the Commission implemented a no-worse-off policy. This meant no local governments were reduced in 2020–21 towards the scaleback. It is anticipated this method will be reinstated for 2021–22 calculations.

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

Local governments in Western Australia are required to have a Strategic Community Plan and a Corporate Business Plan. These are supported and informed by resourcing and delivery strategies, including an Asset Management Plan, a Long-term Financial Plan and a Workforce Plan. These form part of the Integrated Planning and Reporting (IPR) Framework and the Advisory Standard, which sets out associated performance measures.

The Department of Local Government, Sport and Cultural Industries (DLGSC) continues to monitor that Strategic Community Plans and Corporate Business Plans are being reviewed within prescribed required timeframes, whilst local government auditors continue to attest that the two asset ratios reported in the annual financial report are supported by verifiable information and reasonable assumptions.

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

Basic financial performance measures for all local governments in Western Australia are published on the MyCouncil comparative. MyCouncil provides a place to find out how local governments are raising, spending and managing their money. The website provides data on local government finances and demographics drawn principally from local government audited financial statements and the Australian Bureau of Statistics, with the data being updated annually.

MyCouncil 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 on the website is provided by local governments to DLGSC and the Commission. Demographic data is 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 a trend, and continue to provide valuable feedback, to local governments, which allows them to reassess and adjust their actions.

Support for local government

In 2020–21, DLGSC met a key recommendation of the Office of the Auditor-General in developing a risk analysis tool designed to identify local governments that could benefit from

proactive intervention and support to fulfil their statutory obligations. This tool is currently in use (along with other risk identification tools) to focus support and regulation of local governments in Western Australia.

Reforms undertaken during 2020–21 to improve the efficiency and effectiveness of local government service delivery

Capacity Building Program

The DLGSC and Local Government Professionals WA partnered in a Chief Executive Officer (CEO) Support Program that assists local government CEOs to be better equipped to deal with the challenges currently facing the sector.

Due to the impacts of COVID-19 in 2020–21, the program included: 26 local government CEOs who participated in coaching and mentoring; 52 CEOs attended the Connections forum in November 2020 with 42 attending the forum in March 2021; the executive leadership training was also delivered in September 2020.

Local Government Act reform

Following passage of the *Local Government Legislation Amendment Act 2019*, further reforms were implemented in 2020–21 to support behaviour and corporate practices that reflect community expectations of individuals in publicly funded roles:

- Ethics and accountability – All local governments have adopted a model code of conduct for elected members, committee members and candidates, and a code of conduct for local government employees.
- Best practice and procedural fairness – New standards for Chief Executive Officer (CEO) recruitment, performance review and early termination came into effect.

Women in local government

The DLGSC supports the Australian Local Government Women's Association WA Branch to continue to run two programs, Standing Up, to increase numbers of women nominating for council, and MentorNet, to build the capacity and capabilities of women currently elected to council. Standing Up develops women's networks with current, elected members. It also provides campaign support and advice for women who decide to nominate. MentorNet develops networks for women to better inform female councillors' roles. Mentors come from large and small local governments, both country and metropolitan, and have a wide variety of interests and experience. It also enables women to engage in development opportunities.

Hand Ups successful participation in local government decision-making

The DLGSC continues to fund research, by the University of Western Australia (UWA) and the Western Australian Local Government Association (WALGA), that establishes benchmark data about elected members in local government in Western Australia, following the 2019 local government elections. The research will also determine the motivations, to stand for newly elected members and re-nominating members, which will allow trends to be monitored. COVID-19 has had some impacts on the project through disruption to UWA's operations and state-wide travel restrictions in 2020. The project will collect longitudinal data over a four year period.

Peer Support Program into regional local government areas

The DLGSC continued to support the promotion of the Peer Support Program into regional local government areas. The program is a collaborative effort between the DLGSC, Local Government Professionals WA and the Local Government Integrated Planners Network. The program aims to facilitate meaningful peer support to participating local governments to help improve the content and performance of their Integrated Planning and Reporting framework through regional collaboration and resource sharing.

In response to the initial impacts of COVID-19 in 2020, a Community Resilience Scorecard was developed as part of the Peer Support Program. Local governments across Western Australia were invited to participate. The Scorecard was a state-wide collaboration to map community wellbeing and evaluate local government performance in response to COVID-19. The Scorecard reached over 7,600 West Australian residents over the age of 18 years old, from 128 local governments, with results launched in August 2020 via a webinar. The final report was disaggregated into ten Regional Development Commissions' reports. These reports provided a valuable place-based social lens, of how the community is coping with challenges associated with the pandemic, and insights for what respondents felt their local government should focus on through pandemic recovery. The project was funded by DLGSC with pro bono contributions from CATALYSE®.

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

Aboriginal dual naming guidelines

On 11 November 2020, the then Minister for Finance, Aboriginal Affairs and Lands, Ben Wyatt announced the launch of the Aboriginal and Dual Naming Guidelines for naming Western Australian geographic features and places to help preserve local languages through Aboriginal place names.

Developed in consultation with local governments, Aboriginal organisations and other key stakeholders, the Guidelines give communities across Western Australia the tools to identify opportunities for Aboriginal place naming and the ability to implement them.

The release of the guidelines coincided with NAIDOC week, with the Minister announcing the renaming of Lake Disappointment to Kumpupintil Lake. The Aboriginal name describes how the lake was formed and links it to the Martu creation story where Martu warriors fought mighty giants in an epic battle.

Southwest Native Title Settlement

The DLGSC participates in the senior officers working group for the Southwest Native Title Settlement, a landmark native title agreement, negotiated between the Noongar people and the WA Government.

The agreement creates a Noongar governance structure to represent the rights and interests of the six Noongar Agreement groups covering a settlement area of 200,000 square kilometres across 103 local government areas. This is the largest agreement in the country, resolving all native title claims in exchange for a negotiated Settlement package.

The Settlement package is aimed at greatly improved opportunities for Noongar cultural, social and economic development and provides significant partnership opportunities with the WA Government and other sectors, including local government areas.

The Settlement commenced in February 2021, with the Noongar Boodja Trust established in March 2021 and Noongar Regional Corporations scheduled to be established by early 2022. Native title was resolved on the 13 April 2021 and replaced by Settlement arrangements.

Closing the Gap

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

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

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

Reform activities including deregulation and legislative changes

Local Government (COVID-19 Response) Order 2020

The *Local Government Amendment (COVID-19 Response) Act 2020* provided for the Minister to modify or suspend provisions of the Act or Regulations due to consequences of the pandemic. During 2020–21, amendments were made to the *Local Government (COVID-19 Response) Order 2020* to enable local governments to hold electors' general and special meetings and continue to provide assistance to Western Australian ratepayers suffering financial hardship as a result of the pandemic.

Stop puppy farming

Following extensive consultation, the *Dog Amendment (Stop Puppy Farming) Bill 2020* (the Bill) was introduced to Parliament in 2020 but was not passed before the Parliament was prorogued in December 2020 ahead of the state election in March 2021. Following the re-election of the McGowan Government, the *Dog Amendment (Stop Puppy Farming) Bill 2021* was introduced into Parliament on 2 June 2021.

Key reforms include mandatory registration of dog breeders, a centralised registration system (CRS) for cats and dogs covered under the *Dog Act 1976* and the *Cat Act 2011*, mandatory sterilisation of dogs from two years unless exempt, transitioning of pet shops to adoption agencies, and mandatory standards for the health and welfare of dogs in relation to dog breeding, housing, husbandry, transport and sale.

Most of the provisions of the Bill commenced upon proclamation, for which the design, development and implementation of the CRS and regulations will be required, both of which involve consultation with stakeholders.

The Dog Standards will be made mandatory through the development and implementation of regulations by the WA Department of Primary Industries and Regional Development.

Review of Cemeteries Act and Cremation Act

In September 2020, the then Minister for Health and the then Minister for Local Government announced a review of the *Cemeteries Act 1986* and the *Cremation Act 1929* with the aim of contributing to legislative reform that is responsive to community expectations and industry needs. The review will provide effective regulatory oversight of the interment sector in Western Australia.

The review is being undertaken by DLGSC on behalf of the Minister for Local Government and the Minister for Health. Targeted engagement with key stakeholders, including industry focus groups, was undertaken in 2021.

Report from the Western Australian Local Government Association (WALGA)

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

Model financial statements

For a number of years, the local government sector has expressed concerns regarding financial reporting requirements. The sector recognises and supports the need for transparency and accountability around local government financial management and sustainability. However, the current mechanisms are unnecessarily onerous, and not fit for purpose as indicators of financial sustainability or as a basis for comparison between local governments.

WALGA coordinated a review of financial reporting in the 2020–21 year and, during the course of the review, the preparation of financial statements and budget statements emerged as a key issue. Unlike other states, there is currently no model for these statements, leaving individual local governments to devote significant resources to develop their own templates. This results in a variety of approaches across the sector, which inhibits comparison between local governments. The production of a model set of financial and budget statements would ensure consistency in approach, formulation, and application of Accounting Standards. This will then be reflected in reduced preparation and audit costs.

In recognition that this is a significant sector priority, the WALGA State Council at its meeting held on 2 December 2020, resolved as follows:

That the local government sector:

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

The Minister for Local Government in WA responded positively advising that he had directed the Department of Local Government to progress the proposal for model statements and budgets. This work has been outsourced to financial consultants and should be completed to take effect for the 2022–23 financial year.

Road Asset Preservation Model

The Asset Preservation Model, administered by the Local Government Grants Commission, allocates grant funding to support local governments in maintaining their road assets. At the request of members, WALGA has been undertaking a review of this model.

The model is complex and not well understood. To help local governments understand the model, WALGA has compiled a manual that describes the model methodology and how it distributes funding.

Condition survey of regionally significant local government roads

Road condition surveys provide powerful data to optimise and schedule maintenance, inform strategic planning, advocate for funding, and recently to meet Federal Government evidence requirements of pre-disaster function in order to be eligible for flood damage reconstruction funding. The State Road Funds to Local Government Agreement provides funding to survey all regionally significant local government roads outside the metropolitan area in a five-year cycle. The first phase of this WALGA managed project delivered a condition survey and video of the significant Mid-West region roads during 2020. The second phase, comprising the Great Southern and Goldfields-Esperance regions, is underway.

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

Financial performance indicators

There has been mounting concern as to the appropriateness of the seven financial performance indicators which are required to be included in the annual financial report of a local government under section 6.4(2) of the *Local Government Act 1995* and Regulation 50 of the *Local Government (Financial Management) Regulations 1996*. WALGA formed a Local Government Financial Ratios Working Group to review the existing ratios and previous proposals for change, in order to develop recommendations for meaningful and relevant ratios. The Working Group included representatives from metropolitan and regional local governments, together with officers from the Department of Local Government, Sport and Cultural Industries, Office of the Auditor-General and WA Treasury Corporation.

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

The Report was presented to the 5 May 2021 meeting of the WALGA State Council, which resolved as follows:

That WALGA:

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

The amended ratios should come in to effect in the 2022–23 financial year.

Review multi-criteria assessment process to incorporate an increased emphasis on road safety improvements

The State Road Funds to Local Government Agreement has tasked the sector to place increased emphasis on road safety by applying road safety management systems for the prioritisation of grant funding. WALGA has worked with the South West Regional Road Group to trial a modification of their multi-criteria assessment methodology to increase the focus on road safety in the prioritisation methodology. It is planned that the model will be expanded to other Regional Road Groups.

Safety ratings for local roads project

WALGA was awarded a Commonwealth Government Road Safety Innovation Fund grant to the value of \$193,000. The Association will work in partnership with the WA Centre for Road Safety Research to explore and develop a suitable methodology that can be applied by local governments to assess and rate the relative safety of the local road network. The tool is aimed at assisting local governments to prioritise road network investment in a manner that delivers the best road safety outcomes for the community.

Reforms undertaken during 2020–21 to improve the efficiency and effectiveness of local government service delivery

Adoption and implementation of Operational Procedure 112 – Operational Boundaries and Asset Responsibilities – Metropolitan Region

After more than 10 years of advocacy by WALGA, Main Roads WA have adopted new procedures that set out the operational boundaries and responsibilities at intersections between local and state government roads. Implementation of the procedures will resolve many contentious issues. The changes will mean that a weak joint will not be left along the drainage line across intersections and local governments can undertake reconstruction or resealing without impacting directly on traffic signals or roads under Main Roads WA control.

Publication of Local Government Guidelines for Road Gravel Supplies in Western Australia

High quality road gravel has become a scarce commodity, forcing local governments to source gravel from land under types of tenure not previously considered. Obtaining approvals to access road gravels is complex and not well documented. WALGA has compiled guidelines to assist local government to navigate the complex landowner, environmental and heritage requirements to access road gravels.

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

WA Local Government Aboriginal Engagement Network

WALGA facilitates the WA Local Government Reconciliation Network. This group brings together WA local government officers working in reconciliation and Aboriginal projects, including experienced Aboriginal community development officers who can provide advice and guidance on Aboriginal engagement.

The main purpose of the group is to share peer-to-peer advice and learnings, offer support and encouragement, explore opportunities for partnership and collaboration between local governments, and coordinate meetings and events.

Meetings are hosted by WALGA quarterly and have provided opportunities for stakeholders to share information and engage with local government employees.

South West Native Title Settlement Webinar

On Thursday 17 June 2021, WALGA hosted a webinar to provide an update on the implementation of the South West Native Title Settlement. The webinar provided information into the provisions of the settlement and the increased opportunity for local governments to engage with Aboriginal communities. It included presentations from the South West Aboriginal Land and Sea Council, Department of Premier and Cabinet, Department of Planning, Lands and Heritage, and Perpetual as the Trustee.

The webinar attracted over 90 registrations across regional and metropolitan local governments and forms part of the ongoing engagement activities WALGA intends to undertake.

Sponsorship of local government participation in National Reconciliation Week Street Banner Project 2021

As part of WALGA's commitment to support local governments through their reconciliation journeys, WALGA sponsored three local governments to participate in the National Reconciliation Week Street Banner Project 2021 – the three local governments being the City of Canning, Town of Victoria Park and City of Melville. The support provided the participating local governments the opportunity to demonstrate their commitment in recognising and celebrating National Reconciliation Week.

Managing Bushfire Risk in a Changing Climate webinar series

On Monday 26 October WALGA hosted a webinar on *Fuel Reduction for Safety and Biodiversity*, which was held as part of the *Managing Bushfire Risk in a Changing Climate* webinar series. The Centre of Bushfire Excellence (within the Department of Fire and Emergency Services) provided a presentation on the Department's Traditional Fire Program and the cultural application of fire during the development of Bushfire Risk Management Plans for Local Government.

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

The methodology used by the Local Government Grants Commission for distributing funding under the Financial Assistance Grant program to local government for 2020–21

General purpose grant

The methodology used to assess the general purpose component of the Local Government Financial Assistance Grant is intended to achieve an allocation of grant to local governing bodies in the state or territory 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 Commonwealth legislation.

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

Available funds are distributed in accordance with the relativities established through this process and adjustments are made as necessary to ensure the per capita minimum entitlement is met for each council. For local governing bodies outside the incorporated areas (the Outback 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 grant.

Formulae

General financial assistance

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

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

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

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

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

G = council's calculated relative need assessment

P = population

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

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

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 CRI exists for any function, then they are multiplied together to give an overall CRI for that function.

In the revenue calculations for both residential and rural assessments, the Commission has calculated a revenue relativity index based on the SEIFA Index of Economic Resources (from the Australian Bureau of Statistics). Where no revenue relativity index exists, the RRIC = 1.0. Currently in all expenditure calculations with the exception of roads and stormwater maintenance, there are no disability factors applied and consequently, CRIC = 1.0.

The raw grant, 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, (\$20.89 for 2020–21), 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. Commission-determined limits are then applied to minimise the impact on a council's budgetary processes.

In the calculation of the 2020–21 grant, the Commission constrained changes to councils' grant to between negative 10 and positive 20 per cent. No councils received increases or decreases in grant outside the constraints. An iterative process is then undertaken until the full allocation is determined.

Component Revenue Grants

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

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

The state average rate in the dollar is the ratio of total rate revenue to total improved capital values of rateable property. The result shows how much less (or more) rate revenue a council would be able to raise than the average for the state as a whole if it applied the state average rate in the dollar to the capital values of its rateable properties.

This calculation is repeated for each of five land use categories, namely:

- residential
- commercial
- industrial
- rural
- other.

To overcome fluctuations in the base data, valuations, rate revenue and population are averaged over three years. Revenue Relativity Indices (RRIC) are only applied to the calculations for residential and rural land use categories.

Subsidies

Subsidies that are of the type that most councils receive and are not dependent upon their own special effort – that is, they are effort neutral – are treated by the 'inclusion approach'. That is, subsidies such as those for library services and roads are included as a revenue function.

Component Expenditure Grants

Component expenditure grants compensate or penalise councils according to whether the costs of providing a standard range of local government services can be expected to be greater than or less than the average cost for the state as a whole due to factors outside the control of councils. The Commission assesses expenditure needs and a component expenditure grant for each of a range of functions and these are aggregated to give a total component expenditure grant for each council.

The methodology compares each council per capita against the state average. This enables the comparison to be consistent and to compare like with like.

A main driver or *unit of measure* is identified for each function. This is divided into the net expenditure on the function for the state as a whole to determine the average or *standard cost* for the particular function. For example, in the case of the expenditure function built-up sealed roads, 'kilometres of built-up sealed roads' are the unit of measure.

Using this example, the length of built-up sealed roads per capita for each council is compared with the state's length of built-up sealed road per capita. The difference, be it positive, negative or zero, is then multiplied by the average cost per kilometre for construction and maintenance of built up sealed roads for the state as a whole (*standard cost*). This in turn is multiplied back by the council's population to give the component expenditure grant for the function. As already indicated, this grant can be positive, negative or zero.

In addition, it is recognised that there may be other factors beyond a council's control which require it to spend more (or less), per unit of measure, than the state average, in this example to reconstruct or maintain a kilometre of road. Accordingly, the methodology allows for a *cost relativity index (CRI)*, to be determined for each expenditure function for each council. Indices are centred around 1.0, and are used to inflate or deflate the component expenditure grant for each council. In the case of roads, CRI's measure relative costs of factors such as material haulage, soil type, rainfall and drainage.

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

Table 36 South Australia's expenditure functions included in the methodology

Expenditure function	Standard cost ¹	Units of measure
Waste management	Reported expenditures	Number of residential properties, rural and commercial (shop) properties
Aged care services	Reported expenditures	Population Aged 65+ as per ABS Census and estimated resident population
Services to families and children	Reported expenditures	Population Aged 0–14 years per ABS Census and estimated resident population
Health inspection	Reported expenditures	Establishments to inspect
Libraries	Reported expenditures	Estimated resident population
Sport, recreation and culture	Reported expenditures	Population Aged 5–64 years as per ABS Census and estimated resident population
Sealed roads – built-up ⁵	Reported expenditures	Kilometres of Built-up Sealed Road as reported in GIR
Sealed roads – non-built-up ⁵	Reported expenditures	Kilometres of Non-built-up Sealed Road as reported in GIR
Sealed roads – footpaths etc.	Reported expenditures	Kilometres of Built-up Sealed Road as reported in GIR
Unsealed roads – built-up ⁵	Reported expenditures	Kilometres of Built-up Unsealed Road as reported in GIR
Unsealed roads – non-built-up ⁵	Reported expenditures	Kilometres of Non Built-up Unsealed Road as reported in GIR
Unformed roads ⁵	Reported expenditures	Kilometres of Unformed Road as reported in GIR
Stormwater drainage maintenance ^{2,3}	Reported expenditures	Number of urban properties ⁴
Community support	Reported expenditures	Three-year average population * SEIFA Advantage/Disadvantage CRI
Jetties, wharves, marinas and boat ramps	Reported expenditures	Number of jetties, wharves, marinas and boat ramps
Public order and safety	Reported expenditures	Total number of properties
Planning and building control	Reported expenditures	Number of new developments and additions
Bridges	Reported expenditures	Number of bridges
Environment and coastal protection	Reported expenditures	Estimated resident population
Airports and authorised landing areas	Reported expenditures	Number of airports and authorised landing areas
Other needs assessments	Set at 1.00.	Based on Commission-determined relative expenditure needs in a number of areas ⁵

Notes:

1. In the column headed 'Standard cost' above, a reference to 'Reported expenditures' is a reference to a council's net expenditure, reported in the Commission's supplementary returns, for the corresponding expenditure function.
2. Includes both construction and maintenance activities.
3. The Commission has also decided, for these functions, to use CRI's based on the results of a previous consultancy by BC Tonkin and Associates.
4. Urban properties = sum of residential properties, commercial properties, industrial properties, exempt residential properties, exempt commercial properties and exempt industrial properties.
5. The Commission has, for these functions, used CRI's based on the results of a consultancy led by Emcorp and Associates, in association with PPK Environment and Infrastructure. Tonkin Consulting has since refined the results.
6. Comprises Commission-determined relative expenditure needs with respect to the following:
 - Non-Resident Use / Tourism / Regional Centre – assessed to be high, medium or low
 - Isolation – measured as the distance from the GPO to the main service centre for the council (as published in the South Australian Local Government Directory by the South Australian Local Government Association)
 - Additional recognition of needs of councils with respect to Aboriginal people – identified by the proportion of the population identified as Aboriginal or Torres Strait Islander
 - Unemployment – identified by the proportion of the population unemployed.

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

The calculated standards by function are outlined below.

Table 37 South Australia's calculated standards by function

Total population = 1,745,812

Function	Standard (\$)	Unit of measure per capita	Total units of measure	Unit of measure
Expenditure functions				
Waste management	178.60	0.47658	825,036	Number of residential, rural and commercial (shop) properties
Aged care services	138.73	0.18433	319,112	Population aged more than 65
Services to families and children	71.43	0.17678	306,031	Population aged zero to 14
Health inspection	523.93	0.01243	21,513	Establishments to inspect
Libraries	71.81	1.00846	1,745,812	Estimated resident population
Sport, recreation and culture	309.26	0.75784	1,311,940	Population aged five to 49
Sealed roads – built-up	13,166.23	0.00633	10,951	Kilometres of sealed built-up
Sealed roads – non-built-up	13,166.23	0.00462	7,990	Kilometres of sealed non-built-up
Sealed roads – footpaths etc.	18,692.70	0.00633	10,951	Kilometres of sealed built-up
Unsealed roads – built-up	1,987.58	0.00038	664	Kilometres of formed and surfaced, and natural surface-formed built-up road
Unsealed roads – non-built-up	1,987.58	0.02677	46,342	Kilometres of formed and surfaced, and natural surface-formed non-built-up road
Roads – unformed	419.85	0.00508	8,791	Kilometres of natural surfaced unformed road
Stormwater drainage – maintenance	96.82	0.46400	803,256	Number of urban, industrial and commercial properties including exempt
Community support	54.75	0.99999	1,731,156	Three-year average population * the Socio-Economic Indexes For Areas Advantage Disadvantage Cost Relativity Index
Jetties, wharves, marinas and boat ramps	11,069.59	0.00014	236	Number of jetties, wharves, marinas and boat ramps
Public order and safety	29.30	0.55103	953,919	Total number of properties
Planning and building control	2,245.76	0.02429	42,044	Number of new developments and additions
Bridges	11,512.63	0.00040	699	Number of bridges

Function	Standard (\$)	Unit of measure per capita	Total units of measure	Unit of measure
Environment and coastal protection	20.98	1.00846	1,745,812	Estimated Resident Population
Airports and authorised landing areas	63,937.00	0.00003	59	Number of airports and authorised landing areas
Other special needs	1.00	18.96517	32,831,900	Total of dollars attributed
Revenue functions				
Rates – residential	0.0036	171,935	297,338,586,498	Valuation of residential
Rates – commercial	0.0065	22,750	39,383,932,519	Valuation of commercial
Rates – industrial	0.0078	3,572	6,183,920,514	Valuation of industrial
Rates – rural	0.0034	23,538	40,146,018,322	Valuation of rural
Rates – other	0.0041	7,104	12,298,386,031	Valuation of other
Subsidies	1.00	30.71388	53,170,881	The total of the subsidies

Calculated standards by function

The Commission uses the above table to enable it to calculate a council's raw calculation 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 CRI's 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 process determines whether a single council has a greater than average capacity to provide services (and is therefore a per capita minimum council) or a less than average capacity. For councils with a less than average capacity, the raw calculation determines the 'share' of the available pool of funding to which the council is entitled, subject to the application of final constraints.

Aggregated revenue and expenditure grants

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

Where the raw calculation per head of population for a council is less than the per capita minimum established as set out in the Act, (\$20.89 for 2020–21), the calculation is adjusted to bring it up to the per capita minimum entitlement. The balance of the allocated amount, less the allocation to other local governing bodies outside the incorporated areas, is then apportioned to the remaining councils based on their calculated proportion of the raw calculation. This process provides what the Commission call its 'per capita applied' grant.

Commission-determined limits, known as constraints or caps and collars, may then be applied to per capita grant to minimise the impact on a council's budgetary processes or for the Commission to manage changes in grant (up or down) as a result of methodology changes or other external impacts on the pool of available funding. In the calculation of the 2020–21 grant, the Commission constrained changes to councils to between negative 10 and positive 20 per cent. An iterative process is then undertaken until the final 'estimated grant' is determined.

Identified Local Road Grant

In South Australia, the identified local road grant pool is divided into formula grant (85 per cent) and special local road grant (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.

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 grant is based on recommendations from the Local Government Transport Advisory Panel. The Panel is responsible for assessing submissions from the metropolitan local government group and regional associations on local road projects of regional significance.

Outback Communities Authority

The Outback Communities Authority 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 the Financial Assistance Grant.

It has a broad responsibility for management and local governance of the unincorporated areas of South Australia. The Authority has a particular emphasis on 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 grant to other local governing bodies. Rather, a per capita grant has been established. The 2020–21 per capita grant was \$527.17.

Aboriginal Communities

Since 1994–95, the Grants Commission has allocated grant to five Aboriginal communities recognised as local governing authorities for the purposes of the *Local Government (Financial Assistance) Act 1995 (Cth)*.

The Aboriginal communities are Anangu Pitjantjatjara Yankunytjatjara (APY), Gerard Community Council Aboriginal Corporation, Maralinga Tjarutja, Nipapanha Community Aboriginal Corporation, and Yalata Anangu Aboriginal Corporation.

Again, due to the unavailability of data, grant for these communities are not calculated in the same manner as grant 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 grant 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 2020–21 financial year, the per capita grant varied from \$213.30 for the Gerard Community Council to \$1,523.94 for the Maralinga Tjarutja Community.

Changes to the methodology for distributing funding to local government under the Financial Assistance Grant programme for 2020–21 from that used in 2019–20.

Following a review of financial and other council data provided by local government and feedback from council visits, the Commission made a couple of changes to the methodology for distribution of funding to local governing authorities for 2020–21.

Following discussions with councils along the Murray River and data collected from all councils, the Commission expanded its expenditure assessment for jetties and wharves to include marinas and boat ramps for 2020–21. The Commission also re-assessed the impacts of airstrips maintained by (particularly) rural councils and added a new expenditure assessment for airports and authorised landing areas for 2020–21.

The Commission also continued to focus efforts on the movement of grant via the application of constraints to the grant recommendations for 2020–21. This process addressed changes in per capita applied grant to councils that had occurred during the previous three years when indexation of the Financial Assistance Grant had been frozen.

The tight constraints on changes in grant during the indexation pause saw per capita applied grant for many councils trending away from their estimated grant for previous years and the Commission implemented a range of constraints between negative 10 per cent and positive 20 per cent to address some of these trends.

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

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 2020–21 through resources that were developed and distributed during its previous Financial Sustainability Program (2005–2017).

Those published, reviewed or updated in 2020–21 included:

- Model Financial Statements
- Model Rates Notice Templates.

The LGASA also commenced a project in 2020–21 aimed at enhancing asset management capacity and capability in the sector through the provision of a suite of information papers. A list of 13 proposed 'topics' (that is, 'Levels of Service' and 'Financial Projections for Long-Term Financial Plans') was developed based on conversations with the Institute of Public Works Engineering Australasia (IPWEA) and on common observations contained within recent Auditor-General reports. Resources are being developed in batches and will be made available to LGASA member councils once finalised.

In addition, during 2020–21, a number of small regional councils received a subsidy, via the Building Capacity in Small Regional Councils program, to enable the attendance of council members and staff at relevant training courses which would improve their core financial and asset management skills.

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

Financial Indicators

The Local Government (Financial Management) Regulations 2011 require councils to use three specific financial indicators in their financial planning and reporting – operating surplus ratio, net financial liabilities ratio and asset renewal funding ratio. The Office of Local Government published on its website detailed explanatory information about each financial indicator, and trend data covering individual councils for 2019–20, in the Financial Indicators Dashboard.

Each year, the LGASA also assembles an update report providing the latest values, history and comparisons of key financial indicators for the local government sector. The 2021 update report (covering the period from 1 July 2000 until 30 June 2020) included data on the three financial indicators for the sector as a whole and provided a comparison between categories of councils in respect of 2019–20 actual results for their operating surplus ratio and net financial liabilities ratio.

Reforms undertaken during 2020–21 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 LGASA Board, a metropolitan Chief Executive Officer (CEO), a country CEO, a representative from local government trade unions, a representative from South Australian universities, the Office of Local Government and the LGASA Chief Executive.

From its inception in 1997, until 30 June 2021, the Scheme had approved over 770 projects, with approximately \$32 million in approved funding. This has attracted significant matching funds and in-kind support from other sources. The project outcomes for the funded projects are available through the LGASA research library website.

Projects approved for funding during 2020–21 were:

- 2020.02 – Support councils in the implementation of the PDI Act and Planning and Design Code
- 2020.03 – Mapping the elements of council Enterprise Bargaining Agreements
- 2020.05 – Local government reform implementation
- 2020.06 – Model Financial Statements – Annual Updates (2021 and 2022)
- 2020.07 – Strategic Management Plan templates
- 2020.08 – Food waste recycling initiative 'Food for the Earth'
- 2020.10 – Improving educational content in preparation for 2022 elections

- 2020.11 – Special Local Roads Program – Governance Review
- 2020.14 – Public lighting support for SA Councils
- 2020.54 – Local government: enabling resilient food systems in South Australia
- 2020.57 – RPSA Voters Roll Practice Manual – 2022 Elections
- 2020.58 – Strategies to increase turnout at council elections using evidence from randomised field trials
- 2020.59 – Modelling business clusters' readiness and resilience in managing and responding to COVID-19
- 2020.61 – Resilient South Pilot – Incorporating Climate Risk into Asset Management
- 2020.62 – External and internal challenges facing regional population growth strategies: learning from the case of the Limestone Coast
- 2020.65 – Script development for training course re Community Wastewater Management Schemes
- 2020.66 – Environmental Health Officers' response to COVID-19: A public health workforce needs assessment to ensure sustainability and future preparedness
- 2020.67 – Best Practice Guide for Grants Management for Local Government.

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

During 2020–21, the LGASA strengthened its partnerships with Reconciliation SA. Through this partnership several initiatives were developed, including the establishment of the Local Government Reconciliation Industry Network Group (LG RING).

The LG RING recognises the important role councils are playing building and enhancing respectful relationships and understanding between First Nations people and the broader community. The LG RING provides an opportunity for elected members and senior leaders to come together to exchange information, build relationships and networks and develop, support and promote shared reconciliation initiatives and activities.

Additionally, in partnership with Reconciliation SA, the LGASA was successful in applying for a \$50,000 National Indigenous Australians Agency Local Investments Grant. The purpose of this grant is to increase the voice of First Nations people in local government in South Australia. Through the grant a Project Officer has been employed for 12 months to work with SA councils.

The aims of the project are to:

- promote council elections and processes with First Nations communities
- prepare First Nations people to participate and engage in council elections and processes
- support the cultural safety and awareness of staff and volunteers working in local government
- leverage resources and engagement of councils through the Local Government Reconciliation Industry Network Group
- promote and engage local government bodies in reconciliation, including opportunities to participate in the Reconciliation Action Plan program.

In April 2015, the state government secured \$15 million from the Commonwealth to provide municipal services to Aboriginal communities outside of the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands.

The municipal services for Aboriginal lands are now administered by the Office of Local Government, SA Attorney-General's Department.

Over 2020–21, \$3.08 million (excluding GST) was provided to deliver municipal services including waste management, dog control, environmental health, road maintenance and water provision.

Of the 17 service providers funded, 4 are local councils or a similar body, including:

- Berri Barmera Council for services to the Gerard Aboriginal community
- District Council of Yorke Peninsula for services to the Point Pearce Aboriginal community
- District Council of Coober Pedy for services to Umoona Aboriginal community
- The Outback Communities Authority for services to the Dunjiba Aboriginal community.

This funding will continue to be provided to communities during 2021–22 to support these vital services.

Local government reform activities including deregulation and legislative changes by the jurisdiction during the reporting period

Local government reform

The *Statutes Amendment (Local Government Review) Act 2021* passed Parliament and received the Governor's assent on 17 June 2021. The major reforms in the Amendment Act are based on ideas submitted during the local government reform program consultation that was held in early 2019.

Key reforms include:

- a new conduct management framework for council members
- an expansion of expert, independent advice to councils on a range of critical financial and governance matters
- a modern approach to public consultation
- a range of improvements to regulation to reduce councils' costs.

The reforms will commence in stages.

Report from the Tasmanian Government

Methodology used for distributing funding under the Financial Assistance Grant program to local government for 2020–21 by the Tasmanian State Grants Commission

In arriving at its distribution recommendations, the State Grants Commission considers the requirements of the National Principles issued under the *Local Government (Financial Assistance) Act 1995 (Cth)* – namely Horizontal Equalisation, Effort Neutrality, Minimum Grant, Other Grant Support, Aboriginal Peoples and Torres Strait Islanders and Council Amalgamation for the base grant allocations; and Asset Preservation for the road grant allocations.

For the following explanation, the general purpose grant portion of the Financial Assistance (FA) Grant funding is referred to as the base grant, and the identified local road funding is referred to as the road grant.

Methodology used for calculating base grant allocations

The base grant is distributed using a two pool approach. Firstly, 30 per cent of the base grant is allocated to councils based on their share of the state's total population (this is referred to as the per capita grant), and secondly, the remaining 70 per cent of the base grant (the relative needs pool) is allocated on a relative needs or equalisation basis. This is seen as the simplest and most transparent means of distributing the base grant according to relative need, Horizontal Equalisation (National Principle 1) and the Minimum Grant National Principle (National Principle 3).

Each year, the Commission uses a balanced budget equalisation model to calculate the distribution of the relative needs pool. Each council's relative needs grant is determined by the difference between the Commission's assessment of each council's expenditure requirement necessary to provide services to a common standard with all other councils, and each council's capacity to raise revenue to fund the delivery of those services, as calculated by the Commission. The difference between the Commission's assessment of each council's revenue capacity and expenditure requirement indicates each council's relative need for additional support, and thus a share of the relative needs pool.

Councils that are assessed as having a standardised surplus (that is, where their assessed revenue capacity is greater than their assessed expenditure requirement) are regarded as having sufficient capability to function, by reasonable effort, at a standard not lower than the average of other Tasmanian councils. As such, these councils do not receive a share of the relative needs pool. These councils, referred to as 'minimum grant councils', only receive their population share of the base grant.

The relative needs pool is allocated amongst councils assessed as having a standardised deficit (that is, where their assessed expenditure requirement is greater than their assessed revenue capacity). An assessed deficit indicates that the council does not have sufficient capability to function, by reasonable effort, at a standard not lower than the average standard of other Tasmanian councils, and thus requires additional support. The relative needs pool is allocated amongst the 'relative needs councils' in proportion to their respective standardised deficits.

The standardised surplus/deficit calculation is:

Revenue Capacity minus Expenditure Requirement = Assessed Surplus/Assessed Deficit.

Revenue Capacity is calculated as the three-year average of:

- the revenue a council would raise by applying the state-wide average rate to the adjusted assessed annual value of all its properties subject to rates and charges (standardised revenue) plus
- the council's per capita grant allocation plus
- Other Financial Support (OFS) receipts that meet the criteria for inclusion, in accordance with the requirement to apply the Other Grant Support (National Principle 4).

Expenditure Requirement is calculated as follows:

- a three-year average of the expenditure required to provide a common range of services (standardised expenditure) plus
- any additional allowances provided to councils for either doctors' practices or airports plus
- the Budget Result Term (BRT), which is a per capita allocation of the difference between all state-wide sources of revenue, including the current year's grant pool, and all state-wide expenditure requirements. The inclusion of the BRT enables the assessment of every council's relative need using a balanced budget approach at a state level.

Standardised Expenditure is calculated for each functional category¹, with the exception of roads, as follows.

1. Calculate each council's actual expenditure, net of any operational OFS receipts that meet the criteria for recognition as OFS by deduction, in accordance with the requirement to apply the Other Grant Support (National Principle 4).
2. Sum the net council expenditure to determine the total state-wide expenditure (total actual expenditure).
3. Redistribute the total state-wide expenditure between all councils on a per capita basis (standard expenditure).
4. Then apply cost adjustors to each council's standard expenditure to reflect inherent cost advantages/disadvantages faced by individual councils in providing services. The cost adjustors are:
 - Absentee population
 - Climate
 - Dispersion
 - Isolation
 - Population decline
 - Regional Responsibility
 - Scale (admin)
 - Scale (other)
 - Socio-Economic Indexes For Areas (SEIFA) – Index of Relative Socio-economic Disadvantage (IRSD)
 - Tourism
 - Worker influx

1 The Commission's base grant equalisation model assesses council expenditure using the following functional categories: General Administration; Health, Housing and Welfare; Law, Order and Public Safety; Planning and Community Amenities; Waste Management and the Environment; Recreation and Culture; Other; and Roads.

The Commission has formally investigated and considered the issue of how to recognise the needs of Aboriginal peoples and Torres Strait Islanders within council boundaries in its base grant assessment process. Based on both the Index of Relative Indigenous Socio-economic Outcomes and advice provided by those councils with the highest proportion of their populations recognising as having Indigenous origin, the Commission has formally determined that no additional adjustments are needed, within Tasmania's base grant model methodologies, in order to account for the different needs of Aboriginal peoples and Torres Strait Islanders across municipalities in Tasmania.

Standardised Road expenditure for the base grant equalisation model is calculated as follows.

1. Calculate each council's actual expenditure, net of any operational OFS receipts that meet the criteria for recognition as OFS by Deduction, in accordance with the requirement to apply the Other Grant Support (National Principle 4).
2. Sum the net council expenditure to determine the total state-wide expenditure (total actual expenditure).
3. Redistribute the total state-wide road expenditure based on each council's relative share of the distribution of the road grant as calculated by the Road Preservation Model (RPM). An explanation of the RPM methodology is explained in the following section.

Methodology used for calculating road grant allocations

The RPM is used by the Commission to distribute the road grant amongst councils. The RPM assesses each council's share of the annualised cost for the whole-of-life preservation cost of council road, bridge and culvert assets in the state.

The RPM uses three standard profiles, based on typical Tasmanian road characteristics, to categorise roads in Tasmania, as well as average costs to construct and maintain these roads over their typical lifetime. This is used to calculate the state average cost per kilometre, per year, for councils to maintain their road networks. The three road types used in the assessment are Urban Sealed, Rural Sealed and Unsealed Roads. Council bridge and culvert asset preservation requirements are accounted for through the inclusion of four bridge types and two culvert types in the asset preservation cost assessment.

Cost adjusters and allowances are applied within the RPM to account for relative cost advantages or disadvantages faced by councils in maintaining their roads. The road cost adjusters are rainfall, terrain, traffic and remoteness. An urbanisation allowance is also applied to eligible road lengths in recognised urban areas. The RPM also includes an allowance to recognise additional costs in respect of the road network on Bruny Island. The Commission does not apply any cost adjusters to its standard bridge or culvert asset preservation costs.

The RPM calculates an assessed annualised cost for each council to preserve its road network. The road grant is then distributed to councils based on their share of the total state-wide assessed annual asset preservation costs.

Grant stability

The Commission is aware of councils' preference for grant stability. As such, in finalising the base grant allocations each year, the Commission applies a 15 per cent increase cap and a 10 per cent decrease floor.

Caps and floors are not used in the RPM model.

Reviews

The Commission monitors council practices to ensure that its methods for distributing both the base grant and road grant are contemporary and equitable. The Commission also monitors developments in local council policies, with a view to ensuring that the Commission’s modelling reflects standard council policies. The annual hearings and visits process conducted by the Commission allows the Commission to monitor council practices and consult on proposed changes to its distribution methodology.

In 2020, the Commission ended its policy of only introducing major methodology changes at the end of each triennium. The Commission now implements changes when it deems appropriate, after considering all relevant matters and following a consultation process with councils. This change was implemented for the 2020–21 grant distributions.

Data sources

The Commission’s models are primarily data driven, which means that significant changes in data can influence calculated grant shares. The Commission takes the accuracy and consistency of data seriously and actively seeks to increase the integrity of data used within its assessments. The Commission uses data from many sources to inform its models and decisions, including data from the Australian Bureau of Statistics, the Tasmanian Valuer-General, Tourism Research Australia, 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 process.

The main datasets sourced by the Commission to inform its models, and where the data is sourced from, are detailed below.

Table 38 *Tasmanian data sources*

Data used	Sourced from
Population Population dispersion, workforce movements, place of usual residence, dwellings unoccupied to total dwellings as per Census night survey, IRSD	Australian Bureau of Statistics (ABS) (Commonwealth)
Assessed annual values data by municipality	Office of the Valuer-General (Department of Primary Industries, Parks, Water and Environment)
Domestic day tripper data	Tourism Research Australia (Commonwealth)
Bed capacity data	Tiger Tours (Tourism Tasmania)
Unemployment, labour force data	Department of Employment (Commonwealth)
Rainfall data	Bureau of Meteorology (Commonwealth)
General practice, airport costing data	Affected councils
Car parking operations	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 received	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 funding	Department of Infrastructure, Transport, Regional Development and Communications (Commonwealth)

Data used	Sourced from
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 Tasmanian State Grants Commission's methodology for determining the distribution of the 2020–21 Financial Assistance Grant (both base grant and road grant), please refer to the *State Grants Commission Financial Assistance Grants Distribution Methodology Paper*, the *State Grants Commission 2020–21 Annual Report, including 2021–22 Financial Assistance Grant Recommendations (Report #45)*, and the *State Grants Commission 2020–21 Financial Assistance Grant Data Tables*, all of which are available on the Publications Page of the State Grants Commission website at <http://www.treasury.tas.gov.au/state-grant-commission/publications>.

Changes to the methodology for distributing funding to local government under the Financial Assistance Grant program for 2020–21 from that used in 2019–20

2020–21 methodology

The 2020–21 base grant distribution includes a different measure of socio-economic factors. Previously, the distribution used a measure of unemployment data, which impacted the Health, Housing and Welfare (HH&W) and Law, Order and Public Safety (LOPS) expenditure categories. Now, the methodology includes the Australian Bureau of Statistics' SEIFAIRSD as a broader measure of relative disadvantage of councils. This cost adjustor impacts the Planning and Community Amenities expenditure category.

Legislative change

There were no changes made to the *State Grants Commission Act 1976* during the 2020–21 year.

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

The *Local Government Act 1993* was amended in 2014 to require all councils to prepare and maintain long-term financial management plans, financial management strategies, long-term strategic asset management plans, and asset management policies and strategies.

The Local Government Division within the Department of Premier and Cabinet continues to monitor councils' compliance with the requirements to maintain this set of financial and asset management documents.

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

The Tasmanian Audit Office's annual *Auditor-General's Report on the Financial Statements of State Entities* considers council financial performance, including performance against a series of financial performance ratios. The Report relating to the 2020–21 period was tabled in Parliament on 24 March 2022. The Tasmanian Audit Office uses a set of financial performance ratios also specified in the Local Government (Management Indicators) Order 2014, which requires that councils' annual financial statements disclose their:

- net financial liabilities
- net financial liabilities ratio
- underlying surplus or deficit
- underlying surplus ratio
- asset consumption ratio
- asset renewal funding ratio
- asset sustainability ratio.

This suite of indicators, considered together, is intended to facilitate understanding of individual council performance and comparison between councils and categories of councils.

The Local Government Division manages an annual Consolidated Data Collection (CDC) process for council financial and performance data, and this information is made available to the public through the Land Information System Tasmania portal. The Office continues to progress work on an interactive council information dashboard, based on CDC data, and an initial version of this resource is expected to launch in the 2021–22 reporting year.

Reforms undertaken during 2020–21 to improve the efficiency and effectiveness of local government service delivery

The Tasmanian Government accepted the recommendations of the Premier's Economic and Social Recovery Advisory Council's (PESRAC) final report on 16 March 2021. The Council was convened to advise the Tasmanian Government on strategies and initiatives to support short-term, medium-term, and longer-term recovery from COVID-19.

The PESRAC report contained recommendations in relation to an ambitious review of the structure and function of local government in Tasmania. Initial work commenced in 2020–21 to consider the scope of the Future of Local Government Review, which commenced formally in January 2022, following the appointment of a statutory Board to oversee this work in December 2021.

Further information on the progress of this Review will be provided in future reporting years.

The Local Government Division, within the Department of Premier and Cabinet, continued work on the comprehensive Local Government Legislation Review in 2020–21, following the announcement of 48 approved reforms in April 2020. The introduction of a new Local Government Bill has now been paused, with a view towards the potential significant implications of the Future of Local Government Review for a fit-for-purpose local government legislative framework.

Notices issued under the *COVID-19 Disease Emergency (Miscellaneous Provisions) Act 2020* were renewed in April 2021. These notices provide additional flexibility to councils to conduct business online and remotely, among other matters, to respond to the COVID-19 pandemic.

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

Tasmanian councils continued to provide a range of services to Aboriginal and Torres Strait Islander communities and community organisations in 2020–21.

Hobart City and Brighton councils, among others, undertook work to develop and consult with communities on Reconciliation Action Plans in the reporting year. Hobart City Council commenced work on its plan in February 2019, and the document – its *Aboriginal Commitment and Action Plan 2020–2022* – was launched in January 2020. The Council's reporting for the 2020 year notes achievements including increased procurement from Aboriginal-owned businesses, the development of an Aboriginal Language and Protocols Guide, support for Aboriginal arts and community projects, and public art commissions from Aboriginal artists.

Under the Closing the Gap Tasmanian Implementation Plan 2021–2023, the Office of Local Government is to support a local government Aboriginal audit to understand the breadth of existing services provided by Tasmanian councils. Further information will be provided in the 2021–22 reporting year.

Local government reform activities including deregulation and legislative changes progressed in Tasmania in 2020–21

For information on the Tasmanian Government's Local Government Legislation Review and Future of Local Government Review projects, please refer to the topic above headed *Reforms undertaken during 2020–21 to improve the efficiency and effectiveness of local government service delivery*.

Separately, work continued in the reporting year to progress amendments to the *Local Government Act 1993*, including:

- the enhancement of the Code of Conduct framework for councillors, requiring mediation before matters proceed to the statutory Code of Conduct Panel, among other matters
- reforms to the rating treatment of independent living units
- electoral amendments, ahead of the 2022 local government elections.

Report from the Local Government Association of Tasmania (LGAT)

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

In 2020–21, the Local Government Association of Tasmania (LGAT) continued a long history of supporting councils in financial and asset management.

Networks to support implementation

LGAT continued to facilitate the regular meetings of the statewide Tasmanian Asset Management Group, a network of financial and asset management professionals from Tasmanian councils, state government departments, Government Business Enterprises, and other public infrastructure authorities, such as TasWater. The Group focuses on collaborative, continual improvement work and professional development in the financial and asset management space.

Financial and asset management tools and templates

LGAT maintains an array of guidance material on long-term financial and asset management planning. This includes 21 Practice Summaries which cover topics ranging from asset management policy, plan and strategy development, condition assessment, valuation practices, information systems and asset registers.

In addition, LGAT managed the production of a Strategic Asset Management Plan (SAMP) template, to support Tasmanian local government asset management, delivered in the 2018–19 financial year. The template was used by local government to simplify the process of developing an Asset Management Strategy and Strategic Asset Management Plan. Councils found that, by combining Strategic Asset Management Plans into one document, it still met the Tasmanian Local Government Act requirements while being an efficient and effective process.

Professional training

In 2020–21, LGAT built on this previous work by organising professional training in ‘Completing Your Council’s Strategic Asset Management Plan (SAMP)’, delivered in partnership with the Institute of Public Works Engineers Australasia. The training focused on how to use the SAMP template to develop a council’s own SAMP.

Following this, LGAT also supported a subsequent SAMP case study session, which was delivered and made possible by valuable collaborative contributions from Tasmanian Asset Management Group members and professionals at councils who have completed their SAMP.

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

Please refer to the Tasmanian Government’s response on this question.

Reforms undertaken during 2020–21 to improve the efficiency and effectiveness of local government service delivery

The following are provided in addition to the Tasmanian Government's comments on the Premier's Economic and Social Recovery Advisory Council's (PESRAC) Local Government Legislation Review in 2020–21, and the COVID-19 Disease Emergency (Miscellaneous Provisions) Act 2020.

Workplace Behaviours Toolkit

We have worked with Edge Legal, a Tasmanian law firm, to develop the Workplace Behaviours Toolkit to ensure that councils are places where people are treated with courtesy, dignity, and respect. The Toolkit broadly aims to assist councils with:

- compliance flowing from their legal obligations to provide positive workplace standards for behaviour
- best practices for understanding and applying expected standards of workplace behaviour
- effectively dealing with expected standards of workplace behaviours.

The Toolkit includes policies and procedures; implementation and support documents; and advisory documents.

Whole of sector HR helpdesk

LGAT has also established a general HR Helpdesk to Tasmanian councils, supported by Edge Legal. The HR Helpdesk was originally used to assist councils with the implementation of the Workforce Behaviours Toolkit. This service has now expanded to additional services including: performance management, disciplinary processes, fitness for work and injured employees, employee entitlements, restructuring redeployment and redundancy advice, plus policy and procedure implementation support.

Procurement

LGAT has an arm, LGAT Procurement, that aims to help councils undertake best practice procurement and deliver value for money for their communities. In 2020–21, we did this by:

- providing 29 panel arrangements that cover a broad range of goods and services
- developing a model code for tenders and contracts
- running ten training sessions on procurement
- facilitating a grouped small sites energy tender for interested councils.

In 2020–21, Tasmanian councils saved more than \$1.3 million using LGAT procurement services.

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

We have engaged with Reconciliation Tasmania to understand how we can support Tasmanian councils that are yet to start their reconciliation journey with Tasmanian Aboriginal communities. A one-day workshop was delivered in November 2021, specifically for councils, on Reconciliation Actions Plans (RAP). The workshop included presentations from councils on their experiences, insights from First Nation representatives, and information and advice on developing a RAP most appropriate to individual council needs.

Report from the Northern Territory Government

Methodology used for distributing funding under the Financial Assistance Grant program to local government for 2020–21 by the Northern Territory Grants Commission

The Northern Territory Grants Commission's (the Commission) methodology conforms to the requirement for horizontal equalisation as set out in section 6(3) of the *Local Government (Financial Assistance) Act 1995 (Cth)*.

The Commission, in assessing relative need for allocating general purpose funding, uses the balanced budget approach, to horizontally 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

From 2008–09, the Commission resolved to use the latest Australian Bureau of Statistics estimated resident population figures and then adjust the figures to align with the population total advised to Canberra from the 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 2020–21 calculations.

Revenue-raising capacity

As the ownership of the land on which many communities are located across the Northern Territory is vested in land trusts established pursuant to the *Aboriginal Lands Rights (Northern Territory) Act 1976 (Cth)*, it is not feasible to use a land valuation system solely as the means for assessing revenue-raising capacity.

The collection of actual accurate financial data through the Commission's annual returns enabled a number of revenue categories to be introduced, including municipal and regional 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, library and local roads grant are recognised in the revenue component of the methodology. In the case of recipients of the Roads to Recovery grant, 50 per cent of the grant was included. Recipients of library grant and local roads grant have the total amount of the grant included.

The Commission considers that, given unique circumstances within the Northern Territory, the overall revenue-raising capacity approach provides a reasonable indication of a council's revenue-raising capacity. For the 2020–21 allocations, financial data in respect of the 2018–19 year was used.

Expenditure needs

The assessment of standard expenditure is based on the Northern Territory's average per capita expenditure within the expenditure categories to which cost adjustors 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.

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, that the Commission used in the 2020–21 methodology.

Minimum grant

For most local governments, the assessed expenditure needs exceed the assessed revenue capacity, meaning there is an assessed need. In 2020–21, six councils' assessed revenue capacity was greater than assessed expenditure need, meaning that there was no assessed need. However, as the legislation requires that local governments cannot get less than 30 per cent of what they would have been allocated had the funding been distributed solely on the basis of population, five local government councils still received a grant, or what is referred to as the minimum grant. The sixth council, namely Alice Springs Town Council, received a loss assist factor as detailed further below.

Formulae

1. Revenue component

Table 39 Formula for revenue component for all councils in the Northern Territory

Element of the formula	Details of the element
Assessed revenue-raising capacity	Total identified local government revenue
Total local government revenue	Assessed Northern Territory average revenue + 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 2018–19	Actual state local government gross income
Actual state local government gross income 2018–19	\$204,470,209
Other grant support	Roads to Recovery grant 2019–20 50 per cent, library grant 2019–20 and roads grant 2019–20
Budget term	Population x per capita amount
Total local government revenue for 2020–21 allocations	\$327,718,461

2. Expenditure components

Total local government expenditure of \$327,718,461 apportioned over each expenditure component.

- a. **General public services (\$108,697,805)**
Community population/Northern Territory population x general public services expenditure x Aboriginality
- b. **Public order and safety (\$22,944,883)**
Community population/Northern Territory population x public order and safety expenditure x (location + dispersion + Aboriginality)
- c. **Economic affairs (\$42,153,297)**
Community population/Northern Territory population x economic affairs expenditure x (location + dispersion)
- d. **Environmental protection (\$16,644,098)**
Community population/Northern Territory population x environmental protection expenditure
- e. **Housing and community amenities (\$45,782,565)**
Community population/Northern Territory population x housing and community amenities expenditure x (location + dispersion + Aboriginality)
- f. **Health (\$2,384,260)**
Community population/Northern Territory population x health expenditure x (location + dispersion + Aboriginality)
- g. **Recreation, culture and religion (\$54,654,540)**
Community population/Northern Territory population x recreation culture and religion expenditure x (location + dispersion)
- h. **Education (\$864,332)**
Community population/Northern Territory population x education expenditure x (location + dispersion + Aboriginality)
- i. **Social protection (\$33,592,681)**
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 shown in the following table.

Table 40 Weightings by road type in the Northern Territory

Road type	Weighting
Sealed	27.0
Gravel	12.0
Cycle path	10.0
Formed	7.0
Unformed	1.0

The general purpose location factor is also applied to recognise relative isolation.

Changes to the methodology for distributing funding to local governments under the Financial Assistance Grant program for 2020–21 from that used in 2019–20

When the general purpose grants were calculated for 2020–21 using the current methodology, and incorporating the latest Australian Bureau of Statistics 2016 Census estimated resident population and Commonwealth Government data, the Northern Territory population had decreased by 1,093 from the 2019–20 methodology.

Additionally, due to a reduced Consumer Price Index estimate for 2020–21, and the economic impact of the bushfires and the COVID-19 pandemic, the 2020–21 entitlement for general purpose was \$261,578 less than the 2019–20 adjusted entitlement, whilst the local roads entitlement was \$206,722 more than the adjusted 2019–20 local roads entitlement amount.

Consequently, the reduced general purpose allocation, commensurate with the population decline, resulted in 11 out of the 17 councils being subject to reduced grant outcomes when compared to 2019–20.

Losses to the Katherine and Alice Springs councils in particular were excessive for them to absorb in the year. To mitigate this, the Commission resolved to include a 'loss assist factor' into the 2020–21 methodology. The effect of the 'loss assist factor' is that it was only applied to councils which would lose greater than 5 per cent of grant funding. A total of three councils benefited from the loss assist factor which totalled \$267,653. The Commission also resolved to review the applicability of this parameter for the 2021–22 funding round.

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

In 2019–20, the Legislative Assembly of the Northern Territory passed the *Local Government Act 2019*, (the Act) which was due to commence on 1 July 2020. However, due to the COVID-19 pandemic, the rollout was postponed to 1 July 2021. Throughout 2020–21, new regulations and guidelines supporting the Act were developed, which include:

- a standard format and content for council long-term financial plans to be included in council annual plans and published on council websites
- a new mandatory requirement for all councils to review their annual budget at least once in every six months. Where a budget amendment has a material impact on the council's long-term financial plan, the council must by resolution amend the long-term financial plan
- a new mandatory requirement for all councils to keep an electronic register of their major assets
- a new mandatory requirement for all councils to keep an electronic register of their portable and attractive assets
- a new mandatory requirement prescribing the minimum information that must be recorded in asset registers.

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

Due to the postponement of the commencement of the Act, throughout 2020–21 new regulations and guidelines supporting the Act were developed which enable comparison of performance between councils, including a mandatory format and prescribed content to be used by all councils for their monthly financial reports, a standardised format for council budgets and long-term plans.

Local Government 2030 Strategy

In 2020, the Department of the Chief Minister and Cabinet commenced the development of the *Local Government 2030 Strategy*, in partnership with the Local Government Association of the Northern Territory (LGANT) and the Northern Territory's 17 councils. The key focus of the *Local Government 2030 Strategy* is to collaborate in the sector with the following priorities.

- What would a strong, responsive, well governed and more independent third sphere of government look like in the Northern Territory?
- Where should it be in 10 years if it were successfully moving on the path to that goal?
- What is needed from the local government sector itself, the Northern Territory and Commonwealth Governments and others to move from the current state to that vision?

A Steering Group, with representatives from councils, is overseeing the development of the *Local Government 2030 Strategy*, including broad consultation and engagement.

Reforms undertaken during 2020–21 to improve efficiency and effectiveness of local government service delivery

In response to the COVID-19 pandemic, the Northern Territory Government introduced a range of initiatives to support local government councils to ensure they continue to deliver essential council services, while operating under restrictions imposed by National Cabinet.

During the year, the Department of the Chief Minister and Cabinet established three new grant programs in support of local government service delivery:

- Commercial Rates Replenishment program – provided a one-off grant to councils that granted a 25 per cent rate concession for commercial ratepayers facing financial hardship due to the COVID-19 pandemic. The funding was provided to ensure council revenue levels were not adversely impacted by granting the concession and have a negative impact on service delivery.
- Priority Infrastructure Fund – gave councils the opportunity to apply for funding for local government infrastructure-related projects in relation to upgrade, repair or improvements to:
 - parks, playgrounds, sporting and recreational areas establishment/upgrades
 - roadworks on council-managed or controlled roads
 - waste management sites establishment/upgrades
 - plant and equipment to improve local government service delivery
 - cemetery infrastructure establishment/upgrades
 - community communications infrastructure establishment/upgrades
 - council facilities repairs /maintenance.
- Waste and Resource Management (WaRM) Program – provided one-off grant allocations to regional and shire councils to assist with addressing issues specific to waste and resource management issues within their council areas.

Disaster Recovery Funding Arrangements (DRFA)

In 2020–21, the Northern Territory Government approved a standardised approach for funding disaster-related events by requiring all councils to make an initial upfront 25 per cent financial contribution of their eligible DRFA expenditure, up to a capped cumulative value in any financial year of \$25,000 for shire councils, \$100,000 for regional councils and \$400,000 for municipal councils. Three million dollars was also approved to be set aside in the Treasurer's Advance to enable the Department of the Chief Minister and Cabinet to make more timely payments for eligible expenditure claimed by councils under the DRFA. This new process is aimed at reducing the impact a disaster event may have on council service delivery.

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

In 2014, local authorities were established in 63 remote communities across the Northern Territory. A further 3 local authorities were approved in 2017–18 and another one was approved in 2018–19 and 2019–20. 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 2020–21, grant funding of \$4.9 million was allocated across the nine regional councils to assist with funding priority projects, as identified by their respective local authorities. Local authority project funding supports projects that encourage the continued development of local authorities and their communities and aims to:

- build stronger communities
- help local governing bodies and their communities become stronger and self-sustaining
- provide quality community infrastructure that facilitates community activity and integration
- develop local government capacity to provide legitimate representation, effective governance, improved service delivery and sustainable development.

The funding pool is distributed to local authorities through a methodology developed by the Northern Territory Grants Commission.

In 2020–21, grant funding totalling \$8.6 million was allocated to nine regional councils and one shire council under the Indigenous Jobs Development Fund to assist with subsidising 50 per cent of the cost of employing Aboriginal staff within their respective councils. The grant provides councils with financial assistance for salaries and approved on-costs for Aboriginal employees delivering local government services. Around 500 positions are supported through this program.

Local government reform activities including deregulation and legislative changes

The Local Government Act and associated legislative requirements

In 2019–20, the Legislative Assembly of the Northern Territory passed the *Local Government Act 2019* (the Act) which was due to commence on 1 July 2020 but due to the COVID-19 pandemic, the rollout was postponed to 1 July 2021. The legislation is a contemporary governance framework that aims to streamline and modernise local government rules and processes, such as members' allowances, code of conduct, eligibility for office, meeting procedures and financial transparency, and improve local decision making.

Throughout 2020–21 supporting legislation to the Act was being developed, including the drafting of new regulations and guidelines following feedback received from councils. A number of sample policies, registers and forms were also developed to assist councils to transition to the requirements of the new legislation. The Department of the Chief Minister and Cabinet collaborated with LGANT and councils throughout the year in developing resources, mandatory training and other material that will assist elected members and council staff to understand and implement the new legislation.

Draft Burial and Cremation Bill

During the financial year, the Department of the Chief Minister and Cabinet reconvened its consultation process on the draft Burial and Cremation Bill to replace the *Cemeteries Act 1952*. Consultations were held with councils and land councils to inform them of the development of new laws that will enable burials and cremations to occur in a manner that acknowledges and respects the custom and practice of Traditional Owners.

Report from the Local Government Association of the Northern Territory (LGANT)

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

The new *Local Government Act 2019* (enacted 1 July 2021) refers to the requirement for municipal plans and long-term financial plans relating to a period of at least four years. During 2019–20, LGANT worked with the NT Government to develop associated regulations and guidelines to assist councils.

LGANT continues to convene the bi-annual Finance Reference Group meetings which are issue-based discussion and, during the COVID-19 pandemic, have been conducted via teleconference. The agenda cover a range of topics, considered key to council's understanding and service delivery. One of those topics was asset management plans. As infrastructure in the Northern Territory is reaching its expiry date, it has become increasingly important to our members to plan properly for their maintenance and replacement.

Local government councils are struggling to recruit and retain professionals which is impacting the rigor and consistency of information being provided to elected members through the long-term asset management and financial plans. This issue was identified in the *Current and Future Skill Needs of Local Government in the Northern Territory Report 2018*.

Actions to develop and implement comparative performance measures between local government

Through the pandemic, the local government sector shared information and innovative platforms to support local businesses by such means as the COVID-19 stimulus vouchers, with the City of Darwin taking the lead and four municipal councils taking up the initiative.

LGANT facilitated five Reference Groups:

- Finance Reference Group
- Governance and Human Resources Reference Group
- Environment, Transport and Infrastructure Reference Group
- Community Services Reference Group
- Chief Executive Officers.

These Groups provided forums for member council officers to share individual learnings and strategies in improvements in council operations and governance.

Reforms undertaken to improve the efficiency and effectiveness of local government service delivery

The NT Government and health authorities were prepared for a potential coronavirus pandemic spreading to the Territory. LGANT has represented local government interests on the COVID-19 Regional and Remote Taskforce (the Taskforce) which has met weekly since early March 2020.

The Taskforce is jointly chaired by the Department of the Chief Minister and the Aboriginal Medical Services Alliance Northern Territory. There are representatives from Department of

Health, Police and other government agencies, Aboriginal health organisations, land councils and frontline service providers.

The COVID-19 pandemic has necessitated the local government sector working together to ensure the protection of businesses and the health of the community by:

- fast-tracking infrastructure projects
- keeping all staff employed (redeployment, working from home)
- implementing initiatives such as free parking, free entrance to pools, after hours school support programs
- providing rate and fee concessions and other hardship assistance.

LGANT and local government worked in collaboration with the NT Government to secure financial support measures of \$13.1 million. This program provided immediate funding for council employment and operating costs; supported job creation and maintenance opportunities in communities; provided targeted rates relief for commercial ratepayers experiencing hardship; and assisted with COVID-19-related compliance and management costs.

The local government sector is developing a Local Government (LG) 2030 Strategy. An LG-2030 Steering Group has been formed to guide the process of preparing the Strategy. The Strategy will set forth how we work together as a sector to move from where we are to where we can and need to be for a sustainable future. The initial focus is on developing a shared vision, identifying the stakeholders to engage with as part of developing the strategic plan, and determining the future to ensure councils are leading change to improve the sustainability, livability, and wellbeing of our communities. These changes mean that we have an opportunity to tell the local government story and create our own new normal.

LGANT continues to collaborate with the Independent Commission Against Corruption (ICAC) and facilitated forums and information sessions with all councils. Councils learnt about the powers and functions of ICAC as well as the obligations councils now have under legislation.

LGANT is required under its constitution to provide industrial relations services to its members. It contracted Western Australian Local Government Association (WALGA) Workplace Solutions to do much of this work, which included amongst other things:

- disciplinary processes
- industrial claims
- terminations/resignations/negotiated exits
- contracts of employment
- other human resource and industrial relations advice
- representing councils in the Fair Work Commission.

LGANT convened a Waste Management Forum in Darwin on 15 December 2020 which included participants from 10 councils who actively shared outcomes and lessons on topics such as community recycling centres, decommissioning of old landfill sites, legacy waste and funding.

Other topics addressed at the Forum were:

- utilisation of product stewardship schemes
- waste export bans
- challenges faced by local government councils such as the tyranny of distance, lack of funding and lack of backloading opportunities.

LGANT also facilitated a Procurement Symposium that provided both accredited and non-accredited training offerings plus presentations on the following topics:

- ICAC
- Local Buy
- vendor panel procurement platforms
- new procurement guidelines and regulations under the new *Local Government Act 2019*.

The Procurement Symposium included the participation of 33 individuals from 10 local government councils.

Initiatives undertaken and service provided by local government to Aboriginal and Torres Strait Islander communities

Most Aboriginal communities are located within regional council areas. In addition to the services offered by all local governments to communities in the NT, regional councils provide a range of additional community services and programs to remote communities. This is enabled either through contractual arrangements with NT and Commonwealth agencies for service provision or community program funding obtained through Commonwealth and NT funding programs.

Regional councils have contracts with NT and Commonwealth agencies to provide key services in remote communities. This includes postal services (Australia Post), Centrelink agent services (Commonwealth Department of Human Services) and the upkeep of power, water and sewerage infrastructure (NT Power and Water Corporation).

In some regional council areas, councils were contracted by the NT Government to deliver services to occupied outstations or homelands. Services include municipal and essential services, housing maintenance services and special purpose infrastructure projects. This includes waste collection, roads maintenance, animal management, fire breaks and environmental activities.

Grant monies from Commonwealth and NT Government funding programs enable RCs to offer remote communities a range of local community programming, including:

- aged and disability services (for example, personal care, meals, transport, domestic assistance, and social activities) that allow people to stay in their community
- school nutrition programs that not only promote health but school attendance and positive educational outcomes
- early learning programs for children
- community safety programs
- remote youth sports programming
- youth diversion programming.

The above activities are also important sources of local Aboriginal employment in these regions.

The *Current and Future Skill Needs of Local Government in the Northern Territory Report 2018* data showed a much higher representation of Aboriginal and Torres Strait Islander employees (38 per cent) than other sectors of government and the private sector in the Northern Territory.

The regional and shire councils are the largest employer of Aboriginal people in regional and remote areas with between 60–80 per cent of the workforce made up of Aboriginal people. These councils receive in excess of 90 per cent of their revenues from government grant.

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 then 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.

Developments in the use of long-term financial and asset management plans by the ACT Government in 2020–21

During 2020–21, the ACT Government's Infrastructure Planning and Advisory Committee (IPAC) comprising Directors-General and Chief Executive Officers across the ACT Government was replaced by the Planning and Infrastructure Committee of the ACT Public Service (ACTPS) Strategic Board. The new Committee continues to play a 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 2019, the ACT released the ACT Infrastructure Plan (the Plan).

The Plan outlines the following strategic infrastructure objectives:

- 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
- continuous improvement of the planning and delivery of new infrastructure investment in the territory.

Each Territory Budget provides an updated comprehensive program of infrastructure works being delivered by the Government. This infrastructure investment pipeline data details both new works announced in the budget and the works-in-progress.

New investment decisions are informed by the ACT Infrastructure Plan and the broader strategic policy objectives of the Government. The combination of annual publications of the

Infrastructure Investment Program data and updates to the ACT Infrastructure Plan provides industry with an overview of the current infrastructure pipeline and future projects under consideration.

The next update to the ACT Infrastructure Plan is scheduled later in 2022. This update will incorporate the ACT Wellbeing Framework released in 2020. The Plan and ACT Wellbeing Framework are integral components of the investment and planning strategy of the Government when considering infrastructure investment proposals.

The Capital Framework

During 2020–21, 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.

The ACT Government also continued its comprehensive review of the Capital Framework which commenced in December 2019. Work undertaken during 2020–21 has focused on the further development of updated guidance material based on recommendations previously identified and developed during 2019–20. Key updates to the Capital Framework include the transition from a single policy document to an online web-based platform, developing fit for purpose templates, tools and online training, and introducing risk-based assessment of projects in determining the relevant tier level for assessment.

The Partnerships Framework

The ACT Government has implemented the Partnerships Framework, which established the policy for:

- delivery of major infrastructure projects under models including Design, Construct, Maintain, Operate (DCMO) and Public Private Partnership (PPP)
- evaluation of unsolicited proposals under a structured framework.

The Partnerships Framework continues to provide guidance on the procurement of major, complex infrastructure projects, including potential future PPPs, and the assessment of unsolicited proposals. The ACT Government intends to review the Partnerships Framework following implementation of the update to the Capital Framework.

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.

During 2020–21, the ACT Government commenced the development of a draft whole-of-government Building Information Modelling (BIM) implementation framework. The draft framework includes guidance on the use of BIM in supporting ACT Government Directorates and Agencies plan and deliver their SAM program.

Transport Canberra and City Services (TCCS) infrastructure assets

TCCS delivered a wide range of services to the ACT community on behalf of the ACT Government. Much of this relied on the planning, development and management of a significant and diverse range of assets that were valued in 2020–21 at \$10.27 billion.

The largest asset category was infrastructure assets including roads, bridges, stormwater, streetlights, community paths, community sporting facilities, traffic signals, waste, and recycling assets. Other assets in the TCCS portfolio included public libraries, public transport, urban open space, and property assets.

During the reporting period, TCCS reassessed the value of assets in accordance with the ACT Accounting Policy, resulting in an increase in the asset value of \$29.2 million.

The strategic asset management framework (SAMF) encompasses a set of documents, systems and processes that enabled TCCS to meet its asset management responsibilities whilst also efficiently meeting the requirements of the community. The SAMF allows TCCS to promote the financial sustainability of TCCS assets through ‘whole-of-life’ and ‘whole-of-organisation’ approaches. The SAMF also enables the development of policies, strategies and plans to be informed, and to inform the community of government aspirations, service level requirements and investment decisions.

In 2020–21, further work has been undertaken to migrate to a new Asset Management Information System (AMIS), which is expected to be complete during the 2021–22 financial year.

The new AMIS will improve consistency and approach to asset management, whilst also improving the feedback loop associated with asset or service related requests or notifications from the public.

ACT Government actions to develop and implement comparative performance measures between local governing bodies in 2020–21

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 2020–21

Access Canberra

Access Canberra combines the Territory's shopfronts, contact centre and online services within a single organisation to provide the people of Canberra with a highly effective services hub. It is a one-stop shop for ACT Government customer and regulatory services and provides an easy, streamlined method to access government information and undertake transactions with the ACT Government.

Access Canberra is committed to delivering excellent, integrated services for businesses, community groups and individuals seeking service, support, protection, and advice from the ACT Government on a range of matters including:

- building, utilities, land, and lease regulation
- events and business liaison
- controlled sports
- electricity, natural gas, water, sewerage, and industry technical regulation
- environmental protection and water regulation
- fair trading and registration, inspection and regulatory services
- occupational licensing
- public health protection and regulation for food permits
- racing and gambling legislation
- road safety regulation and driver and vehicle licensing.

In 2020–21, Access Canberra continued to support the ACT community during the ongoing COVID-19 Public Health Emergency by providing flexible, digital-first solutions to delivering services on behalf of the ACT Government. We continued offering expanded online services in response to COVID-19 and continued operation of the COVID-19 Helpline to support the Government response and provide timely advice to citizens.

In 2020–21, Access Canberra:

- completed 330,207 transactions through our Service Centres, answered 527,269 customer calls through our Contact Centre and managed 29,235 webchats. We handled an additional 67,022 calls through our Building Services Centre
- handled over 99,000 calls to the COVID-19 Helpline to assist the community through the challenges of COVID-19
- handled over 2,700 calls on the Access Canberra Business Liaison Line, established for businesses seeking advice and engagement on available stimulus funding, as well as being available for general questions and advice for businesses
- conducted over 4,500 educational visits of businesses affected by the Public Health Directions issued in response to COVID-19
- assisted event organisers in obtaining approvals for 116 events of varying scale and provided pathway solutions to 58 business enquiries
- received and processed nearly 18,000 new Working with Vulnerable People applications

- supported preparations for commencement of the Commonwealth introduced amendments to their Mutual Recognition Act 1992, which created an automatic mutual recognition scheme for individuals who hold occupational licences and registrations
- developed advice for consumers through the 'Choosing a Tradie' campaign which supported consumers to know the risks when hiring a tradesperson and outlined their consumer rights
- worked alongside the Justice and Community Safety Directorate and Donate Life ACT to commence the Organ and Tissue Donor Acknowledgment in early May 2021, which recognises the contribution of organ and tissue donors to the community and is formally acknowledged in the death register and/or a letter from the Chief Minister
- supported the Government response to COVID-19 through the Jobs for Canberrans program by providing work opportunities for people who lost their jobs or had been significantly impacted due to COVID-19.

In 2020–21, Access Canberra implemented the following reforms to improve the efficiency and effectiveness of service delivery:

- We continued delivery of several elements of direct financial stimulus to the hospitality industry during COVID-19, including:
 - providing a mechanism for 'on' liquor licensees to access a fee waiver to transition to a 'general' liquor licence allowing the sale of liquor for consumption both on and off the licensed premises
 - implementing a 12-month 50 per cent fee reduction for 'on' liquor licensees and an additional 12-month fee waiver to outdoor dining permit holders. These initiatives offset the impact of ongoing occupancy restrictions under the Public Health Directions
 - simplifying the process for businesses to apply for a temporary outdoor dining permit and commercial liquor permit to activate outdoor spaces and allow for increased occupancy numbers
 - continuing to support businesses activating outdoor dining options on public unleased land under the 12-months free outdoor dining trial
 - implementing a process that provided nightclubs the opportunity to operate as a bar during their compulsory closure under the Public Health Directions
- We responded to COVID-19's impact on the ACT taxi industry by facilitating 156 stimulus payments of \$5,000 to taxi operators who were responsible for paying annual taxi plate fees
- We automatically extended the Working with Vulnerable People (WWVP) registrations of 32,107 people whose registrations would have otherwise expired and were consistent with legislative amendments passed in 2020. The extension ensured provision of key services to the most vulnerable members continued
- We continued offering expanded online services in response to COVID-19. There were 722 digital transactional services available across all Access Canberra channels, which processed over 8.4 million digital interactions
- The Land Titles Office implemented 'Title Watch', an online title monitoring service that sends automatic email notifications to subscribers when an action is detected on a Certificate of Title and provides quarterly updates on title changes. This was introduced to protect against property fraud and made publicly available in February 2021

- Through the Registrar-General, we supported associations affected by COVID-19 restrictions, by extending temporary measures under the *Associations Incorporation Act 1991* to 8 October 2021
- We continued to engage with stakeholders through the function of the Controlled Sports Registrar. We supported the health and safety of controlled sports contestants and continued to strengthen our processes by increasing the industry's knowledge of their legislative requirements.

Access Canberra continues to support the ACT economy's recovery from the impact of the ongoing COVID-19 emergency by reducing red tape and working closely with industry, particularly hospitality, gaming, building and construction, and the events sector.

JobTrainer

In September 2020, the ACT Government signed the JobTrainer Schedule to the National Partnership on Streamlined Agreements (JobTrainer Schedule). The JobTrainer program is jointly funded between the Australian and ACT Governments, and provides \$16.75 million for free training places for job seekers and young people (aged 17 to 24, who have left school) in the ACT.

JobTrainer places in the ACT are free, to remove financial barriers and support access for school leavers, young people and jobseekers. JobTrainer provides eligible Canberrans access to a range of quality learning opportunities in current and emerging skills needs areas; and employers with access to a skilled and adaptive workforce with a broad range of capabilities.

The first ACT JobTrainer training places were released on 5 November 2020. On 30 June 2021, there were approximately 1,745 enrolments in JobTrainer training places, with 944 of these learners identifying as job seekers.

The Australian Government announced an extension and expansion of the JobTrainer Fund in the 2021–22 Federal Budget. The ACT's share of the JobTrainer Fund extension is an additional \$16.75 million, including the ACT's additional \$8.375 million contribution over two financial years to 2022–23.

Skills Needs List

Each year, Skills Canberra, in the Chief Minister, Treasury and Economic Development Directorate, develops the ACT Skills Needs List, to identify workforce skills needs and occupations in demand within the ACT, and the vocational education and training (VET) qualifications that best fit those occupations.

The List is used to identify the qualifications that will receive the highest subsidy rate under the ACT Australian Apprenticeships (User Choice) program. It also informs other ACT VET funding priorities. This ensures the ACT Government is targeting VET funding to develop a productive and highly skilled workforce that contributes to the ACT's economic future and best meets industry needs.

To develop the 2021–22 List, Skills Canberra released a draft List and surveyed employers, registered training organisations and key stakeholders, to ensure that priority areas were identified and subsidies could be targeted according to the needs of workforce and industry.

Skills Canberra revised engagement and consultation processes to increase employer participation and engagement in the survey. This resulted in a nearly six-fold increase in employer respondents (from 11 to 65 per cent of total respondents).

Skilled migration

The ACT Government has the flexibility to address skills shortages and labour market needs in the territory through the territory nominated stream of the Australian Migration Program. The Australian Government allocates a fixed number of nomination places to the ACT each financial year. In the 2020–21 financial year, the number was increased from 800 to 1,400 nominations. This increase enabled Skills Canberra to nominate more applicants already residing in Canberra, encouraging skilled, interstate arrivals to the ACT into in-demand occupations.

The demand for state or territory nomination far exceeds the allocation of nomination places. Skills Canberra developed the Canberra Matrix to fairly rank, select and invite potential migrant to apply for ACT nomination. The Canberra Matrix allocates points against demonstrated economic contributions or benefits, English proficiency, formal qualifications, the length of ACT study or residence, and any other investment activity or close family ties. Intending migrant with an occupation on the ACT Critical Skills List (for migration purposes) are eligible to register an interest in ACT nomination by completing the Canberra Matrix. The Matrix score is then ranked and, if selected, an invitation to apply for ACT nomination is issued.

In 2020–21, Skills Canberra continued to refine the Canberra Matrix, to ensure nominations were supporting applicants who will make a positive economic contribution, or have already demonstrated a genuine commitment, to the ACT.

Skills Canberra also moved away from the previous 'Canberra Create Your Future' website, to the new act.gov.au web address, providing relevant information and assistance to those looking to migrate to Canberra. We have also continued to improve and further develop the internal Skilled Migration Customer Relations Management (CRM) system to best support potential migrant and reduce unnecessary administrative burden.

Cyber security

In 2020–21, in recognition of an increased focus on national cyber security and Canberra being well-placed to be Australia's cyber capital due to the high concentration of cyber security stakeholders, established education and research capabilities, highly skilled workforce, close proximity to Federal Government, and a collaborative business community, the ACT Government committed \$700,000 funding to establish a Canberra Cyber Hub.

The initial \$700,000 investment went towards:

- funding the Canberra Innovation Network to accelerate the growth of local small and medium enterprises
- Phase 1 development and co-design of the Canberra Cyber Hub with the Canberra cyber ecosystem
- developing an 'education portal' website to help students and businesses navigate education pathways into the cyber industry in Canberra
- working with the higher education sector and Canberra cyber businesses to identify skills shortages and cyber courses that could be developed to meet industry requirements
- development of brand and communications strategy to amplify Canberra's cyber security capabilities.

This work continues to progress in collaboration with the Canberra cyber ecosystem.

Justice and Community Safety Directorate

The Justice and Community Safety Directorate (JACS) seeks to maintain a fair, safe and peaceful community in the ACT where people's rights and interests are respected and protected. This is achieved through maintaining the rule of law throughout the Territory, promoting the protection of human rights in the community, providing effective offender management and opportunities for rehabilitation, and protecting and preserving life, property and the environment by providing an effective and cohesive emergency response service.

In 2020–21, JACS delivered a range of strategic and operational initiatives including:

- supporting the community through the COVID-19 pandemic including:
 - supporting the extension of the Government's rental arrears eviction moratorium for COVID-19 impacted tenants
 - funding the Conflict Resolution Service to assist landlords and tenants to negotiate rent reductions or other issues resulting from the COVID-19 pandemic
 - putting in place temporary measures to allow incorporated associations and retirement villages to respond and adapt to the impacts of the public health emergency by enabling meetings to be held through alternate methods of communication to in-person attendance
- providing an accessible justice system including:
 - progressing the First Action Plan (2019–2023) for the Disability Justice Strategy 2019–2029
 - negotiating arrangements for additional funding of legal assistance services in the Territory
- supporting a safe community through:
 - the establishment of the Community Clubs Ministerial Advisory Council
 - reducing the cap on the number of gaming machines in the ACT
- strengthening the ACT Emergency Services Agency (ESA) to provide critical support for the community, including:
 - legislative amendments to the *Emergencies Act 2004* to enhance and clarify operational and support capabilities to ensure staff and volunteers continue to dispense their duties and functions appropriately in responding to emergencies
 - expansion of the Police, Ambulance, Clinician Early Response (PACER) program
 - recruitment and training of an additional 36 staff to enhance ACT Fire & Rescue Service operations
 - recruitment and training of an additional 22 staff to enhance ACT Ambulance Service operations
 - in a first for Australia, procured a new hybrid electric fire truck for frontline urban fire response and rescue operations. This initiative supports the ACT Government's commitment to achieving reductions in greenhouse gas emissions
 - ESA volunteers support to the ACT Government's COVID-19 public health emergency response
 - development and implementation of the Emergency Survival Plan, which addresses multiple hazards/emergencies and has greater relevance to all members of the ACT community. This can be accessed on the ACTESA's website at <https://esa.act.gov.au/be-emergency-ready/resources/plans/survival-plan>.

- supporting justice reinvestment, and including:
 - progressing policy work to raise the minimum age of criminal responsibility
 - continuing initiatives to build communities, not prisons, including strengthening of the delivery of appropriate therapeutic and re-integration programs to detainees at the Alexander Maconochie Centre
 - developing the ACT Government's plan to reduce recidivism by 25 per cent by 2025.

Education Directorate

The ACT Education Directorate delivers quality public school and early childhood education and care to shape every child's future and lay the foundation for lifelong development and learning. Through public schooling the ACT Government provides 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.

Management of the impact of the COVID-19 pandemic

Throughout the pandemic, the Education Directorate's focus has been to ensure the continuity of education to children and young people in the ACT; to ensure staff and students' safety and wellbeing; and to minimise the impacts of the pandemic on the ACT education and early childhood sectors.

After a period of remote learning, schools resumed on-campus learning in term 2 of 2020. To support the return to on-campus learning, the Education Directorate released a 'roadmap' for ACT public schools based on the ACT Government's COVID-19 recovery plan. The roadmap set out a plan for further easing of restrictions on school activities and parent/carer engagement, in line with the broader easing of restrictions across the ACT.

Schools were supported to manage the workforce and financial impacts with additional staff being recruited through the Jobs for Canberrans program. Additional cleaning services continued, including the provision of cleaning supplies, such as hand sanitiser. The increased cleaning services and supplies ensured that recommendations made by the ACT Chief Health Officer in relation to cleaning of directorate facilities were met, and that students, staff and other users of the facilities (such as hirers of school facilities) were kept safe.

In 2021, schools have operated in a 'COVID-normal' environment with operations guided by the latest advice from the ACT Chief Health Officer and the Australian Health Protection Principal Committee. The Education Directorate has continued to support schools to be responsive to any changes to operations, with a COVID-Normal School Requirements document published to the directorate website providing advice, guidance, and support for managing and responding to COVID-19 in schools.

Education Support Office workplaces remained COVID-safe with physical distancing, additional cleaning throughout the day, and check-in requirements to enable contact tracing if required. Staff travel was restricted, with international travel prohibited and essential domestic travel only able to proceed if approved by the Director-General.

Key achievements of the directorate in 2020–21 include:

- implementation of the Positive Behaviours for Learning program in 75 per cent of ACT public schools
- the expansion of flexible education options with increased access to the government's Muliyan program for 30 high school students who could not attend their usual school
- inclusion and wellbeing supports provided through onsite access to psychologists in all ACT public schools
- provision of equitable Chromebook devices and internet support for those that do not have access to the internet
- major infrastructure and capital works projects to modernise facilities and better meet the learning needs of communities.

Future of Education Strategy

There are four foundations to the Strategy:

- Place students at the centre of their learning.
- Empower teachers, school leaders and other professionals to meet the learning needs of all students.
- Build strong communities for learning.
- Strengthen systems to focus on equity with quality.

There are four principles for implementing the Strategy:

- Equity – student achievement sets aside economic, social and cultural barriers.
- Student Agency – students make decisions about their learning and how their learning environments operate.
- Access – supports for learning and wellbeing are available and provided to all students.
- Inclusion – diversity is embraced, all students are accommodated and a universal sense of belonging fostered.

In 2020–21, the *Future of Education – An ACT Education Strategy* continued to set the directorate's direction, with a particular focus on the following objectives:

- strengthening inclusive education (specifically in relation to responding to challenging behaviours and enhancing complex case management)
- encouraging students to make decisions and use their voices
- ensuring sustainability of the education workforce
- ensuring capacity for early childhood education, long day care and out of school hours care
- providing support for children experiencing vulnerability or disadvantage and expanding free early childhood education and care
- ensuring more targeted and effective school improvement processes.

ACT/NSW cross border enrolment arrangements

Under the NSW Education Act 1990, the NSW Government is responsible for providing schooling for NSW resident students.

The ACT Government recognises the value of the NSW-ACT Memorandum of Understanding for Regional Collaboration and integrated service planning for the planning and delivery of education and training services.

The ACT Government continues to engage closely with the NSW Government through established cross-border collaboration to facilitate inter-jurisdictional information sharing and collaboration for:

- school demographics, urban development and schools planning updates, including future schools planning where catchments are proximate to the NSW-ACT border
- student enrolment considerations including transport
- student transfer/data sharing to enhance the efficacy of the student data transfer note
- aligning services
- child protection and children at risk
- legislative reform
- equal access to education and care including national models for personal care and specialist transport.

NSW Pathways Policy for enrolment of NSW residents in ACT public schools

As part of the current NSW-ACT Memorandum of Understanding for Regional Collaboration and to maintain our commitment to families in the ACT surrounding region and provide greater certainty for cross-border families, the ACT Government has established a NSW Pathway Policy that enables NSW children to apply to enrol at particular ACT public schools.

NSW Pathway Policy ensures access to particular ACT schools for NSW students, as well as demand management through preserving capacity for local ACT students in high demand areas which are experiencing significant population and enrolment growth.

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.

Currently the Northside Pathway Zone includes two primary schools, two high schools and a college. The NSW Southside Zone includes four corresponding primary schools, three high schools and a college.

Once a student is enrolled on a NSW Pathway, they will be guaranteed a place in that Pathway. This means any NSW student already enrolled under a particular pathway in a previous year will be able to continue on that pathway throughout their schooling.

In limited circumstances only and subject to meeting enrolment criteria, ACT schools that are not designated as NSW Pathway Schools can consider NSW student enrolments.

These arrangements are supported through ongoing collaboration to ensure NSW bus services support these students to access their NSW Pathway School.

City renewal

The City Renewal Authority (the Authority) is leading the transformation of Canberra's City Renewal Precinct, spanning Dickson, Northbourne Avenue, Haig Park, Civic and Acton. In implementing its renewal agenda, the Authority is working in partnership with the community, business and government to shape the growth of the central parts of the city to make it a great place to live, work, visit and play.

As defined by the objects of the *City Renewal and Suburban Land Agency Act*, the Authority will:

- encourage and promote a vibrant city through the delivery of design-led, people-focused urban renewal
- encourage and promote social and environmental sustainability
- operate effectively with sound risk management practices to ensure value for money.

In meeting these objectives, the Authority recognises that Canberra's city centre must be defined by well-designed and managed places for people to use and enjoy and provide a quality of life Canberrans expect and deserve.

In 2020–21, the Authority continued work on the revitalisation of Acton Waterfront. Land reclamation works have been completed and piling works to support the completion of the boardwalk are currently underway. In addition, the Authority has commenced upgrades to Acton Beach to improve access, paths and landscaping. Acton Beach will complement the future waterfront park by providing a new location for swimming and aquatic recreation. The proposed park is a key stage of the Acton Waterfront project and will be adjacent to the boardwalk.

In November 2020, the upgraded City Walk was opened by the Chief Minister. The project included more than 3,500 new plants, 23 new trees, and 635 square metres of irrigated lawns, greatly improving the environmental sustainability performance and amenity of the area. The project was a direct response to the COVID-19 ACT Government initiative to prioritise new capital works projects to support jobs in Canberra. A First Nations project management company successfully delivered the construction phase on a tight time frame.

Transport Canberra and City Services

The Transport Canberra and City Services Directorate (TCCS) delivers services to create an attractive cityscape and amenities, an effective and safe road network, an integrated public transport system, and city services, which are necessary to support a growing community as well as attract tourism and business investment to the region. The directorate is responsible for the planning, building and maintenance of many of the ACT Government's infrastructure assets, such as roads, bridges, cycling and community paths, and the streetlight network. It also plays an important role in managing the city's open space, parks, neighbourhood play areas, sports grounds, recreational facilities, local shops and playground equipment. The range of community services delivered by the directorate includes libraries, waste and recycling services, safer walking and cycling around schools, and city amenity.

Capital Linen Service, ACT NoWaste, Domestic Animal Services, and Yarralumla Nursery are managed by TCCS. The directorate also has administrative oversight responsibility for the ACT Public Cemeteries Authority, which operates the Woden, Gungahlin and Hall cemeteries.

During 2020–21, the directorate made significant achievements across its core business areas working towards better transport, strengthening our services, and building a sustainable future.

In part, this was a result of necessity to respond to the circumstances presented by the COVID-19 pandemic, and the subsequent need for TCCS to adjust service delivery to keep employees and the wider community safe.

City Services

The ACT Urban Forest Strategy 2021–2045 was released to protect, maintain and enhance the urban forest, working towards a 30 per cent tree canopy cover by 2045.

During 2020–21, an innovative Street Forestry Program pilot was undertaken. The pilot tested how best to engage with residents to increase the uptake of street trees in low tree canopy areas and at locations vulnerable to urban heat.

Urban wood waste was extensively recycled to provide approximately 3,000 square metres of mulch for use by volunteer groups and community organisations. Approximately 900 large logs were salvaged for use as coarse woody debris in nature reserves and urban green spaces and both mulch and logs were used to support the creation of nature playspaces. Salvaged logs were also provided to be milled for school woodwork projects.

Roads

In 2020–21, Roads ACT:

- completed the third year of a seven-year Energy Performance Contract for the provision of ongoing operations and maintenance of streetlight assets. Outcomes include energy efficiency improvements through the upgrade of 42,500 streetlights to LED luminaires, improving maintenance efficiency through improved data acquisition and control systems including automatic self-reporting of streetlight outages, and the continued Smart City network roll-out through the installation of access points and smart photoelectric cells
- rehabilitated the Northbourne Avenue road surface using over 6,000 tonnes of recycled materials.

Waste and recycling

2020–21 has seen some notable achievements for our ACT NoWaste team. This has included implementation of the first tranche of a single-use-plastic ban on items such as plastic cutlery and polystyrene takeaway containers.

The bulky waste collection service was expanded to cover all regions of Canberra and work has continued to deliver major upgrades at the Hume Materials Recovery Facility as part of our response to the then COAG waste export ban.

ACT NoWaste partnered with Corex Recycling in October 2020 to commence a corflute recycling trial with the trial's timing providing an opportunity to recover election signage following the ACT election in October 2020. A total of 3.8 tonnes of corflute material was collected and recycled by June 2021. The trial has now been extended to December 2022 whilst an assessment is made concerning the future of this scheme.

The ACT Government partnered with Icon Water to develop circular economy solutions to ensure waste glass containers can be recovered and utilised in local infrastructure projects.

The technical and environmental impacts of using crushed glass as a replacement for virgin river sand on ICON Water's network have been investigated. The material was found to be a suitable and cost-effective replacement resulting in reduced virgin river sand consumption and emissions associated with transporting material.

Libraries

Our network of public libraries has responded to changing demand by enhancing digital resources available to the community through its website.

The loan of digital resources increased over 2020–21 due to the impact of COVID-19, and the usage of family history digital resources reached 101,425 in 2020–21, doubling that of 2019–20. Usage of eBooks increased by 23 per cent, usage of eAudio resources increased by 30 per cent, and usage of eMagazines increased by 22 per cent.

New 'Hot Picks' collections were launched in April 2021 and are proving popular with Libraries ACT customers. 'Hot Picks' are a selection of popular, high-demand titles designed for speedy readers. Books are available for seven-day loans, and walk-in, on-the-spot borrowing at each branch. These titles cannot be reserved or renewed. During the first three months of this initiative, the adult 'Hot Picks' collection generated 1,094 loans from 270 items, whilst the Kids 'Hot Picks' collection generated 2,119 loans from 310 items. Libraries ACT will continue to add additional titles to these collections in 2021–22.

Libraries ACT delivered 43,219 library items to people via the Home Library and Mystery Box services in 2020–21.

Transport

In August 2020 the ACT Transport Strategy 2020 was launched outlining a vision for a world class transport system that supports a compact, sustainable and vibrant city. This means providing flexible, reliable, and sustainable options for Canberrans to make their journeys including:

- convenient and connected public transport
- high-quality environments for walking and cycling
- a road network allowing us to move people and goods safely and reliably across the city.

Work has commenced to develop decision-making tools and guidance to ensure the ACT Transport Strategy 2020 vision is realised. This includes:

- the Movement and Place decision-making tool that will assist directorates to work together with the community to enhance the city by creating streets that work from both a place and transport perspective.
- the Transport Strategic Investment decision-making tool that will help to align investment with government priorities including the commitment to rebalance investment over time towards public transport, cycling, and walking, while recognising the importance of maintaining the reliability and safety of roads. The framework will assess projects for strategic fit against the strategy's principles.
- an implementation package for Active Travel including an updated Active Travel Framework, a Cycle Network Plan, and best practice design guidance to reflect current strategic priorities, identify gaps in infrastructure and ensure works support and make walking and cycling more attractive, on their own or in combination with public transport.
- a Monitoring and Reporting framework will be developed to track progress in achieving the strategy's objectives.

Transport Canberra

Launched the Zero-Emission Transition Plan for Transport Canberra to transition the bus fleet to modern battery electric vehicles using 100 per cent renewable electricity by 2040.

TCCS Fleet commenced a 12-month trial of an electric tipper truck in the TCCS heavy vehicle fleet and expanded electric charging facilities at TCCS depots in Reid and Curtin.

Active Travel

2020–21 has seen a continued reduction in travel demand due to the COVID-19 pandemic. However, in the same period, there has been increased interest in cycling and walking as a way to get around our neighbourhoods.

There was an expansion of the micro-mobility transport options to include 1,500 e-scooters and 200 bikes.

The active travel infrastructure program continued to deliver improvements to the active travel network with new path connections and priority crossings along main community and local routes, delivery of wayfinding signage, and ongoing delivery of the aged-friendly suburbs program.

Infrastructure improvements were delivered around schools through stimulus funding making it safer for students to walk or ride to school with improvements including crossing upgrades, new path connections, refuge islands, speed humps, and improved line marking. Education resources were provided to schools participating in the Active Streets program. The directorate delivered programs including the School Crossing Supervisor Program at 25 schools and the Ride or Walk to School and It's Your Move programs which support schools by providing access to the Safe Cycle curriculum resource, sets of loan bikes, and event management support.

Domestic animal services

2020–21 saw the implementation of the annual dog registration scheme that will make it easier to return lost dogs to their owners.

Gender sensitive design project

The directorate is leading the whole-of-government project to develop Gender Sensitive Urban Design principles to assist with the design of public urban spaces and infrastructure, including wayfinding. A literature review was undertaken during the reporting period that has brought together studies and examples from across Australia and the world.

ACT Assistance Animal Accreditation Framework (the Framework)

The Framework was launched on 1 July 2020 following targeted consultation with industry representatives. The framework promotes rights of access for people with a disability who rely on an assistance animal and provides further protections under the *Domestic Animals Act 2000*, including fines for businesses refusing access to an accredited assistance animal.

The new framework provides for a more streamlined approach to the animal trainer, and assessor registration, by reducing the administrative and financial burden users of assistance animals may experience in having their assistance animals trained and tested. Community education and awareness is also a focus of the framework, with the aim of promoting the public's understanding of the diverse range of assistance animals in our community.

The framework facilitates a consistent national approach, being similar to schemes previously established in other jurisdictions. This has made it easier for people with assistance animals accredited in other jurisdictions to be recognised in the ACT.

Slower Streets initiative

Canberra's suburban streets experienced a walking and cycling boom during the 2020 COVID-19 restrictions when more people were exercising and living locally in their local streets.

Slower Streets was a temporary initiative developed in partnership with walking and cycling groups, and delivered by self-nominating residential organisations and networks. The initiative aimed to encourage people to slow down and look out for their neighbours. Slower Streets did not change speed limits but was an invitation to look out for each other. Signs and basic guidance were provided on the placing of signage with residential communities installing the signs according to local circumstances and communicating with their neighbourhoods about the scheme.

Whilst Slower Streets was initially a response to COVID-19 restrictions, the initiative tapped into an underlying sentiment in communities to have more people-friendly streets and communities. By the end of 2020, 20 suburbs had become involved.

Case study: Northbourne Avenue Pavement Stage 1, 2 and 3

In 2020–21, Stages 1 to 3 of the Northbourne Avenue Pavement Rehabilitation project were completed using a sustainable process providing the following benefits:

- more than 6,000 tonnes of existing pavement material were recycled on-site instead of going to landfill
- imported materials to the site were reduced by 69 per cent
- an 80 per cent reduction in project completion times over using traditional techniques
- saved 40 per cent in project costs, gaining a road built to last over two decades.

In May 2021, this project was the major award winner at the Civil Contractors Federation (CCF) Earth Awards in the WH&S – Civil category.

Story Walks developed as a COVID safe activity

Story Walks are a special outdoor activity for the community, allowing participants to enjoy a short story along a special walking route. The activity promotes exercise and exploration of local neighbourhoods and provides a fun way to promote reading and literacy as well as an opportunity for families to read and enjoy an activity together. Customers follow a route on a map, available from library branches, or use directions on story walk panels, to find each stop and discover what happens next. Some stops also feature an interactive element where walkers can add their illustrations in chalk.

The Story Walks feature books by local authors with one non-local author for Reconciliation Week. The walks were held in five locations between January–June 2021, with four of them linked to a local library and one to the National Arboretum as part of Tree Week celebrations. After the Summer of Wonder Story Walk at Belconnen, the remainder were aligned with local activities such as the Celebrate Gungahlin Festival, Tracks to Reconciliation, and Wintervention. The Story Walk activities were accompanied by a social media campaign and were featured in local media.

Community Services

The Community Services Directorate (CSD) supports Canberrans to fulfil their potential, take advantage of social and economic opportunities and make a valued contribution to our community. The directorate is responsible for portfolios spanning many aspects of people's lives. These include housing, community services and social inclusion, women, disability, children and youth, Aboriginal and Torres Strait Islander affairs, multicultural affairs, and veterans and seniors.

ACT Housing Strategy

The Environment, Planning and Sustainable Development Directorate (EPSDD) leads the ACT Housing Strategy overall, coordinating the engagement, reporting and ongoing implementation in collaboration with CSD through Housing ACT. While CSD is responsible for the social housing and homelessness services, EPSDD is responsible for the provision of affordable housing in general as the Planning and Land Development agency.

The ACT Housing Strategy (the Strategy) was launched in October 2018 and encourages and promotes a housing market that meets the diverse and changing needs of the Canberra community and enables a sustainable supply of housing for all income levels. The Strategy continued to provide a guiding framework for ACT Government actions during 2020–21.

Under the Strategy, CSD is responsible for delivering and reporting against Goal 2 – reducing homelessness – and Goal 3 – strengthening social housing assistance – with a couple of joint responsibilities for specific actions under Goal 4 – increasing affordable rental housing.

Reducing homelessness

The ACT Government is committed to reducing homelessness and in 2020–21 the ACT Government continued to work with the sector to implement a number of programs to respond to new and emerging groups at risk of homelessness. These include:

- **Axial Housing:** The Axial Housing First Program is targeted at those who have a history of entrenched rough sleeping. Following a successful pilot in 2019, the program has been expanded, with additional capacity to manage up to 32 properties for adults experiencing chronic homelessness.
- **Common Ground:** Work has continued to deliver Common Ground in Dickson. Common Ground will provide stable and supportive housing for people who need it. The identified cohort for Common Ground Dickson includes single older women, women with children, and single younger women. Construction commenced in October 2020 and is forecast for completion in the fourth quarter of 2021–22.
- **Targeted accommodation:** Housing ACT is working with government and community partners to provide more targeted accommodation for identified cohorts and those clients with more complex needs. This includes projects to support: youth out-of-home care and crisis accommodation; Aboriginal and Torres Strait Islander older people; mental health wellbeing; and disability group housing, to name a few.

Strengthening social housing assistance

In May 2019, the Government announced *Growing and Renewing Public Housing 2019–2024*, which supports the work of the ACT Housing Strategy and its goal to strengthen social housing assistance by delivering safe and affordable housing to support low income and disadvantaged Canberrans.

In year 2 of the program, 135 new dwellings were added to the public housing portfolio through construction and purchase. This was offset by the sale of 129 predominately three-bedroom dwellings. At 30 June 2021, 190 households had been relocated to facilitate the program, with 136 dwellings in the construction pipeline and a further 501 dwellings in the design phase.

Improved energy efficiency in public housing

The Energy Efficiency Program for public housing properties is an ACT Government initiative delivered under contract by ActewAGL. The program, now in its third year, aims to assist low-income households to reduce their energy bills and greenhouse gas emissions, through the provision of energy efficient products and upgrades.

The program aimed to replace predominantly inefficient gas heating, and gas hot water systems, in 2,200 eligible public housing properties by December 2021. At 30 June 2021, the program exceeded this target, with 2,685 installations completed.

In May 2020, the ACT Government announced the Solar for Public Housing Program. Solar roof top systems have since been installed in 10 Housing ACT properties and two large multi-unit properties. The 10 properties and one of the multi-unit property installations were completed and delivered by 30 June 2021. The second multi-unit property solar system is expected to be fully functional in early 2021–22.

Safe and Connected Youth program

The Safe and Connected Youth program (SACY) is a joint initiative between the ACT Government and non-government partners from the community sector to deliver services to children and young people in their 'middle years' (aged eight to 15 years) experiencing family conflict and who may be at risk of homelessness.

A pilot program commenced in 2019, offering outreach support, therapeutic case management and family mediation with the aim of reducing family conflict and ensuring a safe home environment.

An evaluation of the pilot program was undertaken by the Youth Coalition of the ACT and was released publicly in early 2021. The evaluation found the service was successful in supporting young people to return home safely where possible, find alternative accommodation where required, and improve educational and mental health outcomes for participants.

The pilot program and evaluation provided a strong evidence base about the supports and service models best placed to achieve good outcomes for children and young people and their families who are experiencing family conflict. This work provided the foundation to commission an ongoing and expanded *Safe and Connected Youth: Coordinated Service Response* which will commence in April 2022.

The ongoing and expanded service offering is important for the ACT community, responding to a known service gap experienced by children, young people and their families, who, without this early support, are more likely to find themselves engaging with the statutory service system.

The evolution of the pilot program to an ongoing and expanded service offering is

- supporting the efficiency and effectiveness of local government service delivery by providing a strong example of commissioning in practice
- offering the ACT Government lessons learnt to inform upcoming commissioning activities while building trust and strong partnerships to support future initiatives.

Commissioning for outcomes

CSD is transitioning to a commissioning for outcomes environment for the services it delivers and funds. This is expected to occur incrementally over a ten-year period.

Commissioning is focused on building strong relationships that change the way Government and the Non-Government Organisation (NGO) sector partner to design and deliver services which achieve positive outcomes for our community. This contrasts with the more standard, transactional approach which, for the most part, does not involve sector partners or people with lived experience in service and system design.

In early 2021, CSD engaged with sector partners to update and release the *Strengthening Partnerships – Commissioning for Social ImpACT* Listening Report. The Listening Report details the feedback received during consultation with Directorate Business Units, the ACT Health Directorate and the NGO sector. The Listening Report provides an evidence base for how we should collectively approach commissioning in the ACT.

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 (ECEC), where the primary caregiver is unavailable. The program provides access for vulnerable children aged zero to five years who are most likely to benefit and least likely to access high quality ECEC services.

During 2020–21, CSD approved 566 applications under the CSP, including 124 applications where the child identified as Aboriginal or Torres Strait Islander. The Program successfully supported access to early childhood education and care places for children from Aboriginal and Torres Strait Islander families, who traditionally have a low rate of attendance in early education and care.

Child, Youth and Family Services Program

The Child, Youth and Family Services Program (CYFSP) supports vulnerable children, young people and their families by focusing on early intervention. CYFSP-funded services deliver holistic, wrap-around services for vulnerable children, young people and their families in the ACT. Through the CYFSP, CSD works to improve coordination, collaboration and integration between service providers and across the service system.

During 2020–21, the Workforce Development and Training (WDT) Program continued to support the strategic focus and development of CYFSP-funded organisations, overseen by the CYFSP WDT Sub-Committee.

Following the success of Stage 1 of the Service Improvement Project (SIP), which concluded in February 2020, the CYFSP Directors Group and the CYFSP WDT Sub-Committee committed to the design and development of Stage 2 of the SIP. This stage will continue capacity building for clarifying aims, activities and program theories, outcomes and indicators. The Stage 2 pilot of the project will include four physical location sites (four services from organisations funded under CYFSP) and is due to finish in June 2022.

Community Referred Respite Assistance Program

The Community Referred Respite Assistance Program supports vulnerable families of children and young people who require a planned, short-term, time limited break. It aims to provide families the flexibility to select a support service that will be responsive to the needs of their family, encouraging self-care, building support networks and strengthening the ability of care giving.

During 2020–21, 15 applications for assistance were assessed and approved. The team continues to respond to enquiries via phone or email and the level of interest in the program continues to increase.

ACT Government initiatives undertaken in relation to service delivery to Aboriginal and Torres Strait Islander communities in 2020–21

In 2020–21, the ACT Government worked closely with the Domestic Violence Prevention Council (DVPC) Aboriginal and Torres Strait Islander Reference Group on prioritising the most important recommendations from the first Annual Report for the ACT Aboriginal and Torres Strait Islander Agreement 2019–2028 (the Report), which was presented in the ACT Legislative Assembly in April 2020. As a result of this work, the DVPC Aboriginal and Torres Strait Islander Reference Group in partnership with the ACT Government are working to establish a dedicated service for Aboriginal and Torres Strait Islander women.

This service will provide a range of responses for Aboriginal and Torres Strait Islander women who have, or are, experiencing family violence. Discussions to progress the development of the service are ongoing and it is anticipated the service will be established in 2022. The ACT Government is continuing to work closely with the Reference Group and is being guided on the implementation of the other priority recommendations from the Report.

In addition to working to directly respond to the recommendations from the Report, the ACT Government is also committed to working with Aboriginal and Torres Strait Islander people to trial culturally sensitive approaches to preventing family violence, and engage with the Aboriginal and Torres Strait Islander community to lead prevention and behaviour change approaches.

For example, the ACT Government recently committed additional funding through the Family, Domestic and Sexual Violence National Partnership Agreement 2021–2023 to the Victims of Crime Commissioner for a dedicated Aboriginal and Torres Strait Islander worker as part of the ACT Family Violence Safety Action Pilot. The Pilot provides specialised case management for high-risk cases of domestic and family violence in the ACT.

Gugan Gulwan Youth Aboriginal Corporation

The Office for Aboriginal and Torres Strait Islander Affairs (OATSIA) continued to work with the Aboriginal and Torres Strait Islander Community Sector to be able to deliver important services to the ACT community. In 2020–21, OATSIA supported the significant community priority, to establish a purpose-built facility with Gugan Gulwan Youth Aboriginal Corporation, to better deliver essential services. A total of \$425,000 was provided to complete the design phase of the project.

Supporting ACT Aboriginal and Torres Strait Islander communities through national and local policies

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

- committing to a \$20 million Healing and Reconciliation Fund to support the ACT commitments to Closing the Gap and deliver on community priorities identified through the Agreement
- designing a new purpose-built facility for Gugan Gulwan Youth Aboriginal Corporation (Gugan Gulwan), which will better enable Gugan Gulwan to deliver vital culturally specific and safe health and wellbeing programs and services
- establishing a good understanding of the ACT's Aboriginal and Torres Strait Islander population, demographics, likely health and wellbeing needs in the next 10 years and the location and nature of the services required.

ACT Aboriginal and Torres Strait Islander alcohol and other drug residential rehabilitation service

Additionally, a key action identified in the ACT Government Priorities and the ACT Health Directorate (ACTHD) 2021 Agreement Action Plan, and aligning with Closing the Gap (CtG) Priority Area 2, is the development of a community-controlled and designed Model of Care.

This is led by Winnunga Nimmityjah Aboriginal Health and Community Services (Winnunga Nimmityjah), for an Aboriginal and Torres Strait Islander led alcohol and other drug residential rehabilitation service in the ACT. As part of the co-design of the service and Model of Care, the Aboriginal and Torres Strait Islander Community has been invited to engage in community consultation.

Community healing at the Ngunnawal Bush Healing Farm

The Agreement and the ACTHD 2021 Action Plan include a focus on Recommendation 5 – *An urgent focus on healing from intergenerational trauma*, through programs at the Ngunnawal Bush Healing Farm (NBHF).

The NBHF provides a place of healing where Aboriginal and Torres Strait Islander peoples can feel safe and supported to make ongoing and meaningful changes in their lives.

The NBHF uses a therapeutic community approach, traditional healing concepts, cultural programs and life skills training to tackle underlying intergenerational trauma and social and emotional issues.

The NBHF Healing Framework, co-designed with Ngunnawal Elders and the Healing Foundation, was provided to the NBHF Board in June 2021. The Healing Framework will guide the practice of NBHF and partner agencies in supporting the healing of people in their care, in line with the Living Web Framework.

Funding Aboriginal community-controlled organisations to deliver health and wellbeing services

The ACT Government supports the ACT Aboriginal and Torres Strait Islander community-controlled sector through funding Winnunga Nimmityjah and Gugan Gulwan to deliver services to support the needs and aspirations of the ACT Aboriginal and Torres Strait Islander and regional communities.

The Service Funding Agreements align with many key focal issues and actions under CtG reforms, including the call to reform the way services are delivered to Aboriginal and Torres Strait Islander peoples.

Through the new commissioning process and roadmap, to be implemented incrementally from 2021, the ACTHD intends to work with Non-Government Organisation (NGO) partners to ensure that they understand ACTHD expectations that the services they provide are culturally safe, appropriate and accessible. This process also aligns with the fundamental reform to the way services are delivered to Aboriginal and Torres Strait Islander peoples.

Cultural Integrity and Addressing Systemic Racism Framework

The ACTHD / directorates are active members of both the Aboriginal and Torres Strait Islander Inter-Directorate Committee and the Sub-Committee on Addressing Systemic Racism, in progressing the actions relating to the Agreement.

In 2021, ACTHD continued the development of the directorate's Cultural Integrity Framework. The Cultural Integrity Framework aims to embed a defined set of culturally strong values, demonstrated behaviours, attitudes, policies and structures. This will enable ACTHD to build cultural capabilities, embed Aboriginal and Torres Strait Islander ways of knowing, being and doing, to work effectively and respectfully across all health, social, emotional, and cultural wellbeing areas.

The Cultural Integrity Framework will be an important tool in supporting ACTHD's engagement of Aboriginal and Torres Strait Islander peoples in decision-making and policy/program design.

The approach being taken in the ACTHD Cultural Integrity Framework development will ensure that Aboriginal and Torres Strait Islander community-controlled organisations, and the Community more broadly, are engaged in the development of significant mainstream policy and programs.

Aboriginal and Torres Strait Islander business support

In 2017, the ACT Government engaged a provider to deliver support to ACT Aboriginal and Torres Strait Islander-owned businesses. This program ran until 1 June 2020 and was known as the Business Development and Entrepreneurship Program. The program was extended with a new program of work, using the same supplier, on 3 July 2020 for a period of six months. This contract was extended in March 2021 for six months, and then again for a further three-month period, ending in February 2022.

Over the 2020–21 period, the program delivered:

- an Aboriginal and Torres Strait Islander business, Yarning Circle, offering opportunities to promote ACT business support and education providers (for example, the Canberra Innovation Network and Canberra Institute of Technology)
- business workshops for an Aboriginal and Torres Strait Islander audience
- an Aboriginal and Torres Strait Islander business trade show
- individual business mentoring and advice.

The ACT Aboriginal and Torres Strait Islander Business Development and Entrepreneurship Program is aligned with the Significant Focus Area: Economic Participation, from the ACT Aboriginal and Torres Strait Islander Agreement 2019–2028, and specifically against the target to increase the number of Aboriginal and Torres Strait Islander businesses, social enterprises and entrepreneurs supported.

ACT Government deregulation and legislative change in 2020–21

Deregulation reforms

In 2020–21, the Better Regulation Taskforce (the Taskforce) was established as part of the ACT Government's response to the COVID-19 pandemic. The Taskforce's focus is to make it easier to do business in the ACT. The Taskforce will support businesses to start, run and grow by putting in place better regulatory settings, and simplifying interactions between businesses and government. This is a three-phase program of whole-of-government work over two and a half years led by the Taskforce.

Report from the Australian Local Government Association (ALGA)

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

In line with agreements made by the Local Government and Planning Ministers Council in the mid-2000s, the states and territories have implemented programs to assist councils to focus on long-term financial and asset management practices over the past decade.

In 2020–21, local government non-financial assets (including roads, community infrastructure such as buildings, facilities, airports, water, and sewerage (in some states) including land) were valued at \$500.8 billion (see <https://www.abs.gov.au/statistics/economy/government/government-finance-statistics-annual/2020-21>). 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 2020–21 was in the order of \$20.06 billion (see <https://www.abs.gov.au/statistics/economy/government/taxation-revenue-australia/2020-21>). 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 improve the performance and management of the infrastructure portfolio owned and operated by Australia's 537 councils, ALGA established its *National State of the Assets Project* in 2012 and published its first report in 2013.

The 2018 *National State of the Assets Report*, prepared by TechnologyOne Strategic Asset Management, estimated that the replacement cost of land and fixed assets supporting the various economic services (for example, roads, buildings, water supply and so on) and social services (for example, health, welfare services and so on), 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 per cent.

The 2018 *National 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.

In 2020, ALGA commissioned the Institute of Public Works Engineering Australasia (IPWEA) to prepare the 2021 *National State of the Assets Report*. This new research confirmed that two-thirds of all local government assets are in good condition while around one-third are not. Specifically, nearly one in ten of all local government assets need significant attention, and three in every 100 assets may need to be replaced.

Successive *National State of the Assets Reports* have highlighted the importance of continuous improvement in our systems to support our communities for the future – including helping councils invest in asset management training, technology and software enhancements, skills development, and information sharing.

The reports also reinforce the need for the Federal Government to increase the untied Financial Assistance Grant, from the Federal Government to councils, back to at least one per cent of total federal taxation revenue.

It is imperative the Federal Government continue investing in targeted funding initiatives such as the Roads to Recovery Program, the Bridges Renewal Program, and the Black Spot Program so councils can continue to replace and renew essential assets that are no longer safe or fit for purpose.

The Australian Bureau of Statistics states² that the three highest levels of local government expenditure in 2020–21 are in aggregate: \$9.585 billion on General Public Services, \$10.30 billion on Transport and \$6.85 billion on Recreation, Culture and Religion. This figure includes expenditure of Roads to Recovery funding of \$591.6 million in the 2020–21 Budget.

Local roads make up around 75 per cent of the national road network (by length) and service every Australian and business on a daily basis.

ALGA continues to work with the Infrastructure and Transport Ministers Meetings (the successor to the Transport Infrastructure Council), federal transport organisations such as the National Transport Commission and the Department of Infrastructure, Transport, Regional Development and Communications and all jurisdictions on road reform including independent price regulation, community service obligations, road safety, heavy vehicle charging and access, assets management, data standard pilots and piloting local council asset registers that will inform road user charging and heavy vehicle reform, essential for increased national productivity.

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 reliance on intergovernmental transfers for road funding which themselves rely on road taxes and charges
- the competing funding pressures from other government services
- the need for road investment to reflect whole-of-life costs and road-user needs more clearly, particularly to accommodate the larger and heavier high productivity heavy vehicles.

Declining road-related revenues remain a major concern. Fuel excise is declining in real terms as motor vehicles become more fuel efficient and electric vehicles sales accelerate. As a result, state and federal governments are being forced to look to other areas of their (contested) budgets to fund and manage roads and road-related infrastructure.

On a more positive note, fiscal constraints on meeting the required level of capital investment for roads has led to an increased focus on improving the transparency of road expenditure, investment and service delivery.

2 Australian Bureau of Statistics (2020–21 financial year) 'Table 339. General government – local – total local' [time series spreadsheet], *Government Finance Statistics, Annual* (at <https://www.abs.gov.au/statistics/economy/government/government-finance-statistics-annual/2020-21>), ABS Website, accessed 26 May 2022.

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

At the national level there are no overarching systems in place to collect, analyse and compare performance measures across the 537 local councils in Australia. State and territory governments have established performance measures but used different approaches and metrics. A national system was considered in the late 1990s but not progressed after local government agreed that the significant variation of services across state and territories made such a system unworkable.

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

The Productivity Commission argued in its five-year productivity review, *Shifting the Dial* (2017) (at <https://www.pc.gov.au/inquiries/completed/productivity-review/report>), that local governments should provide meaningful and accessible performance indicators.

ALGA is concerned that local government is being left behind in a data-driven decision-making environment, and that many councils will need assistance to lift their capability to be able to input, access and use data, as well as protect the data for which they are responsible.

Reforms undertaken during 2020–21 to improve the efficiency and effectiveness of local government service delivery

ALGA and its state and territory associations strongly support collaboration and engagement between local governments – and between all levels of government – to enable better service delivery outcomes for all communities.

This is particularly important in regional areas where thin markets can conspire against efficient and equitable service provision.

To address this, many like-minded regional and remote-area councils have created voluntary groupings, or Regional Organisations of Councils (ROCs), to enable capacity building and resource-sharing. These groupings vary in number, governance, and priorities, from jurisdiction to jurisdiction.

A more formal approach to strengthening collaboration and engagement with local government has been taken by the NSW Government. In 2017, it legislated to allow the creation of local government entities, known as Joint Organisations, with legal powers enabling councils to work together with each other and state agencies to achieve better service delivery outcomes. Eighty-seven councils in regional NSW are now members of 13 joint organisations.

South Australian councils continue to successfully operate regional local government associations as subsidiaries of regional groupings of councils.

A similar legislative framework for regional subsidiaries in Western Australia has been proposed by the Local Government Review Panel in its May 2020 report.

Over the past two decades, many state governments, including in Victoria, Queensland, and NSW, have pursued policies of council amalgamation to – as they argue – enable more effective service delivery, generate cost savings, and capture economies of scale.

ALGA opposes forced council amalgamations and notes that many of the projected savings predicted by amalgamations in Queensland (2008) and NSW (2017) have failed to materialise. The merger transition processes have proved to be resource-intensive – and in NSW, opponents of amalgamation continue to lobby for demergers, citing rising charges and the loss of local understanding and decision-making.

Councils around Australia continue to embrace new technologies to improve their service delivery standards and broaden consultation and engagement with their local communities. More councils are providing free WiFi and communicating or consulting with stakeholders through online forums and social media. Local government websites are becoming more sophisticated and mobile apps are being developed to enhance service provision to their communities.

The COVID pandemic has helped spur the adoption of digital technologies in local government. Many councils pivoted their in-person services to online channels so staff could continue to serve residents and ratepayers safely.

Local governments began live-streaming meetings and forums of elected representatives to allow otherwise locked-down residents to attend virtually. State governments have legislated to make this a permanent feature of council governance, a development which will strengthen the democratic accountability of local government.

Rolling out new digital technologies and platforms is expensive, however, and councils are at different stages of maturity. The capital-intensive nature of digital transformation, and new requirements that councils, as owner/managers of critical infrastructure and data, invest appropriately in cyber security systems, highlight the need for federal and state governments to support local governments in this transformation.

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

Data captured representing communities' concerns and ideas, desired amenities and suggestions for development, paired with more effective, automated analysis, could facilitate an unprecedented level of open engagement between citizens and government which contributes to increasing the productivity of local government and supporting Australia's productivity.

The Federal Government's City Deals and Regional Deals, which facilitate partnerships between the three levels of government and work towards a shared vision for a place, town, or region, continue to expand. Councils signed the Perth City Deal in September 2020 and the Hinkler Regional Deal in January 2020.

These models provide greater coordination, certainty and efficiency of infrastructure provision at the local level, and ALGA supports efforts to roll out new deals.

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

Local government delivers an array of essential services to urban, regional, and remote Aboriginal and Torres Strait Islander communities and in many instances provides employment opportunities for First Nations people where few other such opportunities exist. However, this work is limited to the extent that councils are empowered and resourced by state and territory governments.

ALGA actively supports the development and implementation of policies to reduce disadvantage among Aboriginal and Torres Strait Island people. Over the past decade, ALGA's engagement on Indigenous issues was primarily focussed on the Council of Australian Government (COAG) and relevant Ministerial Councils. Issues that were progressed by COAG included: 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.

ALGA's primary role within COAG processes was to:

- advocate to ensure that Commonwealth-State intergovernmental arrangements take account of local government issues
- advocate that state and territory local government associations be consulted in the development and implementation of relevant policies.

The dissolution of COAG in 2020 and its replacement by National Cabinet has not altered ALGA's objectives or its commitment to reducing Indigenous disadvantage. While local governments have general responsibilities for the provision of local services and infrastructure to all Australians, including Aboriginal and Torres Strait Islanders, 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 2019, ALGA, the Commonwealth, state and territory governments, and the Coalition of Aboriginal and Torres Strait Islander Peak Organisations, agreed to a formal Partnership Agreement on Closing the Gap. In 2020, the parties signed the National Agreement on Closing the Gap, a framework to accelerate improvements in life outcomes for First Nations people. All signatories agreed that equal participation in the implementation of the National Agreement and on-going monitoring is essential to overcoming inequality.

Local government will play an essential role in helping to develop and implement place-based policies – in partnership with local Indigenous peoples – that achieve the outcomes under the National Agreement. This includes collecting and sharing data to allow more informed decision-making at the local level and contributing towards progress reports.

ALGA will prepare an Implementation Plan under this Agreement to ensure local governments understand the National Agreement and are equipped to direct their planning and collaboration to best effect.

Summary

Local government has repeatedly demonstrated that it is a reliable, professional and cost-effective partner in implementing Commonwealth programs for the benefit of Australia's communities.

However, in a rapidly changing environment, local government needs increased funding and additional support to ensure it remains sustainable, responsive to community needs and able to partner with the Federal Government on infrastructure and programs supporting community wellbeing and productivity.

In the coming year, ALGA intends to work constructively with all levels of government to assist reforms that promote the financial sustainability of local government, enable housing choice and affordability, reduce the amount of waste going to landfill, improve the efficiency and safety of our road networks, and increase community resilience to natural disasters and climate change.

Appendix C

Comparison of distribution models

Local Government Grants Commissions (commissions) in each state and the Northern Territory use distribution models to determine the grant they will recommend be allocated to councils in their jurisdiction. They use one model for allocating the general purpose funding among councils and a separate model for allocating the local road funding. This appendix provides a comparison of the approaches the grant commissions used for determining 2020–21 allocations.

General purpose component

In allocating the general purpose funding between councils within a jurisdiction, commissions are required under the *Local Government (Financial Assistance) Act 1995 (Cth)* (the Act) to comply with agreed National Principles (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 funding between councils on a horizontal equalisation basis.
- Step 2 All councils receive at least the minimum grant. In most jurisdictions, in order for all councils to receive at least the minimum grant, allocations to some councils have to be increased relative to their horizontal equalisation grant.
- Step 3 If allocations to some councils are increased in Step 2, then allocations to other councils must decrease relative to their horizontal equalisation grant. This is achieved by a process called ‘factoring back’.

In Step 3, because allocations to some councils are decreased, the resultant grant may be less than the minimum grant. As a result, Steps 2 and 3 of this procedure may need to be repeated until all councils receive at least the minimum grant and the general purpose funding for the jurisdiction has been completely allocated. More details on the approaches grant commissions use for Steps 1 and 3 are provided in the following pages.

Allocating on a horizontal equalisation basis

An allocation on a horizontal equalisation basis is defined in section 6 of the Act. More specifically, according to subsection 6(3), horizontal equalisation:

- a. ensures that each local governing body in a State [or Northern Territory] is able to function, by reasonable effort, at a standard not lower than the average standard of other local governing bodies in the State [or Northern Territory]; 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 actually obtained by all councils in the jurisdiction.

Horizontal equalisation, as defined in the Act, is about identifying advantaged and disadvantaged councils and bringing all the disadvantaged councils up to the financial position of a council operating at the average standard. This means the task of the commissions is to calculate, for each disadvantaged council, the level of general purpose grant it requires to balance its assessed costs and assessed revenues.

When determining grant allocations on a horizontal equalisation basis, Local Government Grants Commissions use one of 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.

The following table shows the type of distribution model used by each commission.

Table 41 *Distribution models used for general purpose grant allocations for 2020–21*

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 equals

- assessed costs of providing services
- *plus* assessed average operating surplus/deficit
- less assessed revenue
- less actual receipt of other grant assistance.

The direct assessment model

New South Wales and South Australia use the direct assessment approach. Their models are based on assessing the level of advantage or disadvantage in each area of expenditure and revenue and summing these assessments over all areas of expenditure and revenue for all councils.

In each area of expenditure or revenue, an individual council's assessment is compared to the average council. The direct assessment model calculates an individual council's level of disadvantage or advantage for each area of expenditure and revenue, including for other grant assistance. It can be summarised as:

General purpose equals

- an equal per capita share of the general purpose pool
- *plus* expenditure needs
- *plus* revenue needs
- *plus* other grant assistance needs.

The balanced budget and direct assessment models will produce identical assessments of financial capacity for each council, if the assessed average operating surplus or deficit is included in the balanced budget model.

Scope of equalisation

The scope of equalisation is about the sources of revenue raised and the types of expenditure activities that a commission includes when determining an allocation of the general purpose grant on a horizontal equalisation basis. The following table shows the differences in the scope of equalisation of the commissions.

Table 42 Scope of equalisation in commissions' models for general purpose grant

	NSW	Vic	Qld	WA	SA	Tas	NT
Expenditure function							
Administration	Yes	Yes	Yes	Yes	No	Yes	Yes
Law, order and public safety	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Education, health and welfare	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Community amenities	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Recreation and culture	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Transport – local roads	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Transport – airports	Yes	Yes	Yes	Yes	Yes	Yes	No
Transport – public transport	No	No	Yes	No	No	N/A	No
Transport – other transport	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Building control	Yes	Yes	Yes	No	Yes	Yes	No
Garbage	No	Yes	Yes	Yes	Yes	Yes	Yes
Water	No	No	No	No	No	N/A	No
Sewerage	No	No	No	No	No	N/A	No
Electricity	No	No	No	No	No	N/A	No
Capital	No	No	No	No	No	No	No
Depreciation	Yes	Yes	Yes	Yes	Yes	Yes	No
Debt servicing	No	Yes	No	Yes	No	Yes	No
Entrepreneurial activity	No	No	No	No	No	Yes	No
Agency arrangements	No	No	No	No	No	No	No
Revenue function							
Rate revenue	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Operation subsidies	No	No	Yes	Yes	Yes	Yes	Yes
Garbage charges	No	Yes	Yes	Yes	Yes	Yes	Yes
Water charges	No	No	No	No	No	N/A	No
Sewerage charges	No	No	No	No	No	N/A	No
Airport charges	No	No	Yes	No	No	Yes	No
Parking fees and fines	No	Yes	Yes	Yes	No	No	Yes
Other user charges	No	Yes	Yes	Yes	No	Yes	Yes

Notes: Functions for which a 'Yes' is provided above are not necessarily separately assessed by the relevant Local Government Grants Commission, but may be included as part of another assessed function. For example, depreciation might be included as a cost under the category for which the relevant asset is provided. Similarly, revenue functions might be included as reductions in the associated expenditure function.

N/A = not applicable.

Source: Information provided by Local Government Grants Commissions in each state and the Northern Territory.

Revenue assessments

Sources of revenue for local government include rates, user charges and government grant. The treatment of revenue assessments is discussed in the section below.

New South Wales undertakes an assessment of a council's relative capacity to raise revenue and uses revenue allowances to attempt to compensate councils for their relative lack of revenue-raising capacity. Property values are used as the basis for assessing revenue-raising capacity, as rates, based on property values, are the principal source of council income. Property values also indicate the relative economic strength of local areas. In the revenue allowance calculation, councils with low values per property are assessed as being disadvantaged and are brought up to the average (positive allowances), while councils with high values per property are assessed as being advantaged and are brought down to the average (negative allowances). Separate calculations are made for urban and non-urban properties.

Revenue allowances are substantially more significant than the expenditure allowances. This issue was discussed with the Australian Government and the agreed principles provide that 'revenue allowances may be discounted to achieve equilibrium with the expenditure allowances'. As a result, both allowances are given equal weight.

The discounting helps reduce the distortion caused to the revenue calculations as a result of the property values in the Sydney metropolitan area.

For each council, **Victoria** calculates a raw grant, which is determined by subtracting the council's standardised revenue from its standardised expenditure. A council's standardised revenue is intended to reflect its capacity to raise revenue from its community and, in the case of standardised rates revenue, is calculated for each council by multiplying its valuation base (on a capital improved value basis) by the average rate across all Victorian councils over 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 four-year average of valuation data.

The Victorian Grants Commission constrains increases in each council's assessed revenue capacity to improve stability in grant outcomes. The constraint for each council has been set at the 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. The assessed capacity to generate user fees and charges for each council is added to its standardised rate revenue to produce total standardised revenue.

Queensland uses the revenue categories of: rates; garbage charges; fees and charges; and other grant and subsidies. Queensland's rating assessment has remained as follows: the total Queensland rate revenue is divided by the total land valuation for Queensland. This derives a cent in the dollar average, which is then multiplied by the total land valuation of each council. This is then adjusted, to allow for each council's capacity to raise rates, using an Australian Bureau of Statistics product, the Socio-Economic Indexes for Areas (SEIFA). The methodology uses three of the indices: Index of Relative Socio-Economic Advantage and Disadvantage (SEIFA 2); Index of Economic Resources (SEIFA 3); and Index of Education and

Occupation (SEIFA 4). Because Indigenous councils do not generally levy rates, 20 per cent of their Queensland Government Financial Aid allocation is used as a proxy for rate revenue.

In **Western Australia**, calculation of assessed revenue capacity is based on a standardised mathematical formula updated annually and involves assessing the revenue-raising capacity of each local government in the categories of: residential, commercial and industrial rates; agricultural rates; pastoral rates; mining rates; and investment earnings.

South Australia estimates the revenue-raising capacity of each council for each of five land use categories: residential, commercial, industrial, rural, and other. Its Commission estimates each council's component revenue grant by applying the state average rate in the dollar to the difference between the council's improved capital values per capita multiplied by a revenue relativity index for the council, and those for the state as a whole, and multiplying this back by the council's population. To overcome fluctuations in the base data, valuations, rate revenue and population are averaged over three years.

In **Tasmania**, each council's relative needs grant (that is, its grant in excess of the minimum grant) is determined by the difference between the Commission's assessment of each council's expenditure requirement necessary to provide services to a common standard with all other councils, and each council's capacity to raise revenue to fund the delivery of those services, as calculated by the Commission. The difference between the Commission's assessment of each council's revenue capacity and expenditure requirement indicates each council's relative need for additional support, and thus a share of the relative needs pool.

In the **Northern Territory**, the methodology calculates standards by applying cost adjusters and average weightings to assess the revenue-raising capacity and expenditure need of each council. The assessment is the Northern Territory Grants Commission's measure of the ability of each council to function at the average standard in accordance with the National Principles. For most local governments, the assessed expenditure needs exceed the assessed revenue capacity, meaning there is an assessed need. In 2020–21, six councils' assessed revenue capacity was greater than assessed expenditure need, meaning that there was no assessed need.

As the ownership of the land on which many communities are located across the Northern Territory is vested in land trusts established pursuant to the *Aboriginal Lands Rights (Northern Territory) Act 1976 (Cth)*, it is not feasible to use a land valuation system solely as the means for assessing revenue-raising capacity.

Other grant support – National Principle

The fourth National Principle for the general purpose grant (National Principle A4) involves the revenue assessment and states:

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

This National Principle requires commissions, when determining the allocations on a horizontal equalisation basis, to include all grants that are provided to councils from governments as part of the revenue that is available to councils to finance their expenditure needs. Only those grants that are available to councils to finance the expenditure of a function that is assessed by commissions should be included. Both the grant received and the expenditure it funds should be included in the allocation process.

The following table provides details on the grants included by commissions in allocating the general purpose component in 2020–21.

Table 43 Grants treated by inclusion for 2020–21 by jurisdiction

State	Grants treated by inclusion in general purpose allocations
NSW	Local road grant and library grant. Expenditure allowances for services are discounted, where appropriate, to recognise the contribution of specific purpose grant.
Vic	Net standardised expenditure has been obtained for each function by subtracting standardised grant support (calculated on an average per unit basis) from gross standardised expenditure. Net standardised expenditure for the Local Roads and Bridges expenditure function for each council is calculated by subtracting other grant support (based on actual identified local roads grant and a proportion of Roads to Recovery grant) from gross standardised expenditure.
Qld	Grants relevant to the expenditure categories considered by the Commission are included as revenue according to the actual amounts received by council. Three grants are included by the Commission, as follows: previous year's Local Roads Component (50 per cent); Queensland Government Financial Aid (Indigenous councils only – 20 per cent); and the minimum grant component of the previous year's general purpose grant (100 per cent).
WA	Other grant are included with other revenues and are netted from expenditure. This reduces the expenditure total of each function by the total amount of available grant. Consistent with natural weighting, Western Australia's assessments are scaled to the actual amount of total revenue and total expenditure.
SA	Subsidies that are of the type that most councils receive and are not dependent upon their own special effort – that is, they are effort neutral – are treated by the 'inclusion approach'. That is, subsidies such as those for library services and roads are included as a revenue function.
Tas	In Tasmania, Other Financial Support (OFS) receipts that meet the criteria for inclusion, in accordance with the requirement to apply National Principle 4 on Other Grant Support, are included in the calculation of a council's revenue capacity.
NT	In the Northern Territory, other grant support to local governing bodies, by way of the Roads to Recovery, library and local roads grant, is recognised in the revenue component of the methodology. In the case of recipients of the Roads to Recovery grant, 50 per cent of the grant was included. Recipients of library grant and local roads grant have the total amount of the grant included.

Source: Based on information provided by Local Government Grants Commissions.

Expenditure assessments

In addition to expenditure on local roads, the main expenditures of councils are on general public services, including the organisation and financial administration of councils; recreation facilities; and sanitation and protection of the environment, including disposal of sewerage, stormwater drainage and garbage. Assessing local road expenditure needs for the general purpose grant is discussed in the next section below.

New South Wales has calculated expenditure allowances based on: 'recreation and cultural', 'administration and governance', 'community and amenity', 'community services and education', 'roads bridges and footpaths', and 'public order, safety, health, and other'. An additional allowance is calculated for councils outside the Sydney statistical division that recognises their isolation. A pensioner rebate allowance is calculated which recognises that a council's share of pensioner rebates is a compulsory additional cost. Councils with high proportions of ratepayers that qualify for eligible pensioner rebates are considered to be more disadvantaged than those with a lower proportion.

Generally, for each expenditure function, an allowance will be determined using recurrent cost.

Disability factors are also considered among the expenditure categories. A disability factor is the estimate of the additional cost of providing a standard service, due to inherent characteristics beyond the control of a council.

This year, 2020–21, is the third year of a transition period to a revised model. The transition has been entered into to smooth the impact of changing grant outcomes. The current

transition approach is to apply a 5 per cent upper limit on increases and a zero per cent lower limit on a council's previous general purpose component. No council is receiving a decrease during the transition.

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

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

Net standardised expenditure has been obtained for each function by subtracting standardised grant support (calculated on an average per unit basis) from gross standardised expenditure.

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

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. Furthermore, Queensland applies a suite of cost adjustors to service categories.

In **Western Australia**, assessed expenditure need is based on a standardised mathematical formula updated annually, involving the assessment of each local government's operating expenditures in the provision of core services and facilities under the following 'standard' categories: governance; law, order and public safety; education, health and welfare; community amenities; recreation and culture; and transport. The standardised assessments for each local government are adjusted by cost adjustors which recognise the additional costs that individual local governments experience in the provision of services due to a range of causes.

In **South Australia**, component expenditure grants compensate or penalise councils according to whether the costs of providing a standard range of local government services can be expected to be greater than or less than the average cost for the state as a whole due to factors outside the control of councils. The Commission assesses expenditure needs and a component expenditure grant for each of a range of functions and these are aggregated to give a total component expenditure grant for each council. The methodology uses 20 expenditure categories including the local road categories.

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

Tasmania calculates its 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 by applying cost adjustors to standard expenditure to reflect inherent cost advantages/disadvantages faced by individual councils in providing services.

Tasmania's base grant model cost adjustors include: absentee population; scale (admin); climate; scale (other); dispersion; tourism; isolation; population decline; worker influx; regional responsibility; and Socio-Economic Indexes For Areas (SEIFA) – Index of Relative Socio-economic Disadvantage (IRSD).

In the **Northern Territory**, the assessment of standard expenditure is based on the Territory average per capita expenditure within the expenditure categories to which cost adjustors 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 grant

As part of the expenditure needs assessment to determine the general purpose allocation, commissions also assess each council's local road needs. The main features of the models that the commissions use to assess local road needs and determine the general purpose allocations in 2020–21 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' proportions of the state's population, local road length and bridge length.

In **Victoria**, standardised expenditure for the Local Roads and Bridges expenditure function within the general purpose grant model is based on the grant outcomes for each council under the Commission's local roads grant model. 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 grant and a proportion of Roads to Recovery grant) from gross standardised expenditure.

Queensland uses an asset preservation model to assess road expenditure, estimating the cost to maintain a council's road network, including bridges and hydraulics. Allowances are given for heavy vehicles, which increase the road usage, increasing a council's road expenditure amount.

Western Australia calculates the local road component using the asset preservation model, which has been in place since 1992. The model assesses the average annual costs of maintaining each local government's road network and has the capacity to equalise road standards through the application of minimum standards. These standards help local governments that have not been able to develop their road systems to the same standard as more affluent local governments.

South Australia's expenditure functions include the following ones for roads: sealed roads – built-up; sealed roads – non-built-up; sealed roads – footpaths etc.; unsealed roads – built-up; unsealed roads – non-built-up; unformed roads.

In **Tasmania**, standardised road expenditure for the base grant equalisation model is calculated by redistributing the total state-wide road expenditure (net of any operational OFS receipts) based on each council's relative share of the distribution of the road grant as calculated by the Road Preservation Model (RPM).

To determine the local road grant, the **Northern Territory** applies a weighting to each council by road length and surface type. These weightings are: 27.0 for sealed, 12.0 for gravel, 10.0 for cycle paths, 7.0 for formed and 1.0 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 grant (National Principle A5) states:

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

While the special needs of Indigenous Australians are recognised when assessing the expenditure of councils on services in all jurisdictions, it remains the decision of each council as to how the grant will be spent and what services will be provided for its Indigenous residents. A summary of this recognition is provided below.

In **New South Wales**, services to Aboriginal communities are considered as part of the expenditure allowances through the use of a cost adjustor for Indigeneity. The methodology also considers the needs of Aboriginal communities with regard to their access and internal local roads needs in the distribution of the local road component.

Victoria includes a cost adjustor that reflects the Indigenous population when calculating the general purpose component of allocations to councils.

Queensland applies a cost adjustor for:

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

Western Australia applies an Indigenous factor as a cost adjustor for most of its expenditure standards in its calculation of general purpose grant and considers Indigenous population data from the Australian Bureau of Statistics when calculating the cost adjustors applied to the expenditure standard.

In **South Australia**, an expenditure function, named Other Needs Assessments, comprises commission determined relative expenditure needs of councils with respect to, among other things, Aboriginal people. For local governing bodies outside the incorporated areas (the Outback Communities Authority and five Aboriginal communities) allocations are made on a per capita basis due to the lack of comparable data.

In **Tasmania**, the States Grant Commission has formally investigated and considered the issue of how to recognise the needs of Aboriginal peoples and Torres Strait Islanders within council boundaries in its base grant assessment process. Based on both the Index of Relative Indigenous Socio-economic Outcomes and advice provided by those councils with the highest proportion of their populations recognising as having Indigenous origin, the Commission has formally determined that no additional adjustments are needed, within Tasmania's base grant model methodologies, in order to account for the different needs of Aboriginal peoples and Torres Strait Islanders across municipalities in Tasmania.

The **Northern Territory** applies a cost adjustor, based on the proportion of the population that is Indigenous, to its expenditure assessments for certain expenditure categories. The majority of shire service delivery in the Northern Territory is to remote communities whose population is almost entirely Indigenous Australian.

Council amalgamation – National Principle

A sixth National Principle for the general purpose grant applies to councils that amalgamate. The amalgamation principle (National Principle A6) took effect on 1 July 2006 and states:

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

In addition to complying with the other National Principles for the general purpose grant, 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 2020–21.

Factoring back and satisfying the minimum grant principle

Once the revenue capacity and expenditure needs have been determined for each council, the raw grant can be calculated by subtracting its revenue capacity from expenditure needs, the difference being each council's raw general purpose grant.

There are 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 grant would address this issue.

The second situation occurs when the raw grant allocation for a council does not comply with the minimum grant National Principle. National Principle A3 requires:

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

Grants to councils with raw grant allocations below the minimum grant (including negative grant) are increased to comply with the minimum grant National Principle. This requires grant to other councils in the jurisdiction to be reduced through a factoring back process.

Should the grant to one or more councils following the initial factoring back process reduce their grant below the minimum grant, the factoring back process would be repeated. This process would have to be repeated until both the minimum grant and available grant constraints are simultaneously met.

Two approaches are used by commissions for factoring back the raw grant:

- proportional method – each raw grant for a council is reduced by the same proportion so that the total of the grant equals the available grant
- equalisation ratio method – each grant for a council is reduced such that all councils can afford to fund the same proportion of their expenditure needs with their total income (assessed revenue capacity plus other grant support and general purpose grant).

In Western Australia, the Commission changed its phasing policy for the 2018–19 grant determinations. It had become apparent that due to the limited funding pool growth in recent years, the Commission was unable to provide the desired increases in grant to local governments that were receiving significantly less than their general purpose equalisation need. As a result, in recent years the Commission has been transitioning local governments to a common scaleback to ensure equity between local government grant. This was paused for 2020–21.

Due to the impact of COVID-19 on the funding pool available for distribution, and concerns regarding local governments' financial positions as a result of the pandemic, the Commission implemented a no-worse-off policy. This meant no local governments were reduced in 2020–21 towards the scaleback. It is anticipated this method will be reinstated for 2021–22 calculations.

The amount of cash that finally ends up being paid in a financial year to a council for general purpose needs is its actual grant for that financial year for general purpose needs.

Most jurisdictions apply floors and ceilings (that is, limits) to the increases or decreases, in general purpose funding, which councils are granted in any one financial year over the previous financial year(s). This too can result in the need for some positive or negative feedback into the calculations of the final actual general purpose grant paid to councils within a particular jurisdiction in a particular financial year.

Local road component

The National Principles require the local road grant to be allocated so that, as far as practicable, the grant is allocated to councils (National Principle B1):

... on the basis of the relative needs of each council for roads expenditure and to preserve its road assets. In assessing road needs, relevant considerations include length, type and usage of roads in each council area.

For the local road needs assessment, the models are either relatively simple constructs or more complex asset preservation models.

New South Wales, South Australia and the Northern Territory use relatively simple models to allocate the local road grant. New South Wales and South Australia firstly classify local roads as either metropolitan or non-metropolitan and then allocate funding based mainly on the factors of population and road length. 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 7 per cent and 15 per cent respectively for funding special road projects. Expert committees provide advice on the projects to be funded.

The following table summarises the main features of the models used by the commissions for allocating local road grant in 2020–21.

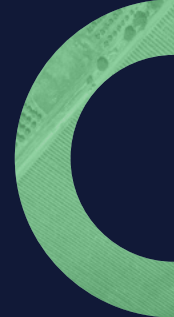
Table 44 Allocating local road grant in 2020–21

State	Features of the distribution model for allocating local road grant
NSW	<p>Initially, 27.54 per cent is distributed to local roads in urban areas and 72.46 per cent to local roads in rural areas.</p> <p>In urban areas, 5 per cent is distributed to individual councils on the basis of bridge length and the remaining 95 per cent is distributed to councils on the basis of road length and population.</p> <p>In rural areas, 7 per cent is distributed to individual councils on the basis of bridge length and 93 per cent is distributed to councils on the basis of road length and population.</p>
Vic	<p>Victoria's formula for allocating local roads grant is based on each council's road length (for all surface types) and traffic volumes, using average annual preservation costs for given traffic volume ranges. The methodology also includes a series of five cost modifiers for freight loading, climate, materials, subgrade conditions and strategic routes, and takes account of the deck area of bridges on local roads.</p> <p>The commission calculates a total network cost for each council's local roads. The actual local roads grant is determined by applying the available funds in proportion to each council's calculated network cost.</p>
Qld	<p>Queensland allocates, as far as practicable, on the basis of the relative need of each local government for roads expenditure and to preserve its road assets using a formula based on road length and population. This formula is: 62.85 per cent is allocated according to road length and 37.15 per cent is allocated according to population.</p>
WA	<p>Western Australia recommends the distribution of the local road component using its asset preservation model.</p> <p>Under the arrangements approved for Western Australia, 7 per cent of the Commonwealth funds provided for local roads are allocated for special projects (one-third for roads servicing remote Indigenous communities and two-thirds for bridges). The remaining 93 per cent is distributed in accordance with road preservation needs as determined by the Commission's Asset Preservation Model. The model assesses the average annual costs of maintaining each local government's road network and has the capacity to equalise road standards through the application of minimum standards. These standards help local governments that have not been able to develop their road systems to the same standard as more affluent local governments.</p>
SA	<p>In South Australia, the identified local road grant pool is divided into formula grant (85 per cent) and special local road grant (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 grant is based on recommendations from the Local Government Transport Advisory Panel. The Panel is responsible for assessing submissions from the metropolitan local government group and regional associations on local road projects of regional significance.</p>
Tas	<p>A Road Preservation Model (RPM) is used by the Commission to distribute the road grant amongst councils. The RPM assesses each council's share of the annualised cost for the whole-of-life preservation cost of council road, bridge and culvert assets in the state.</p> <p>The RPM uses three standard profiles, based on typical Tasmanian road characteristics, to categorise roads in Tasmania, as well as average costs to construct and maintain these roads over their typical lifetime. This is used to calculate the state average cost per kilometre, per year, for councils to maintain their road networks. The three road types used in the assessment are Urban Sealed, Rural Sealed and Unsealed Roads.</p> <p>Cost adjustors and allowances are applied within the model to account for the relative cost advantages or disadvantages faced by councils in maintaining their roads. These cost adjustors include rainfall, terrain, traffic and remoteness. An urbanisation allowance is also applied to eligible road lengths in recognised urban areas.</p> <p>The RPM calculates an assessed, annualised cost for each council to preserve its road network. The road grant is then distributed to councils based on their share of the total state-wide assessed, annual asset preservation costs.</p>
NT	<p>To determine the local road grant, the Northern Territory applies a weighting to each council by road length and surface type. These weightings are: 27.0 for sealed, 12.0 for gravel, 10.0 for cycle paths, 7.0 for formed and 1.0 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 2020–21



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 2020–21, which includes the bring forward from 2020–21 paid to councils in June 2020. 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 2020–21. These per capita and per kilometre amounts are for comparative reporting only. They are not the basis of the formula used by local government grant commissions to allocate the general purpose grant or local road grant to each council within a state or territory. Details of each jurisdiction's methodology can be found in Appendix B.

Councils receiving the minimum per capita grant in 2020–21 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 and the Local Government Grants Commissions. 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 a superscript abbreviation (SW). Special Works funding is included in the total local road funding.

The source of the data is the relevant state or territory Local Government Grants Commission.

Table 45 Distribution of 2020–21 actual entitlement to councils in New South Wales

Council Name	Classification	Population ^a Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Albury City Council	URM	54,353	306	544	5,143,071	1,517,974	6,661,045	94.62	No	2,789.68
Armidale Regional Council	URM	30,779	8,621	1,876	4,431,445	2,572,706	7,004,151	143.98	No	1,371.53
Ballina Shire Council	URM	44,628	485	650	3,247,373	1,505,420	4,752,793	72.77	No	2,316.04
Balranald Shire Council	RAM	2,338	21,691	1,328	3,069,777	1,394,403	4,464,180	1,312.99	No	1,049.99
Bathurst Regional Council	URM	43,618	3,818	1,159	4,535,960	2,100,951	6,636,911	103.99	No	1,813.42
Bayside Council	UDV	178,396	50	339	3,803,273	1,215,064	5,018,337	21.32	Yes	3,583.63
Bega Valley Shire Council	URM	34,476	6,279	1,153	5,375,700	2,032,495	7,408,195	155.93	No	1,762.96
Bellingen Shire Council	RAV	12,996	1,600	540	3,002,180	981,913	3,984,093	231.01	No	1,817.01
Berrigan Shire Council	RAL	8,750	2,066	1,280	3,576,130	1,474,638	5,050,768	408.70	No	1,152.00
Blacktown City Council	UDV	374,451	240	1,379	13,603,916	3,679,649	17,283,565	36.33	No	2,669.22
Bland Shire Council	RAL	5,972	8,558	2,907	4,982,635	3,095,602	8,078,237	834.33	No	1,064.93
Blayney Shire Council	RAL	7,379	1,525	688	1,921,479	902,185	2,823,664	260.40	No	1,311.32
Blue Mountains City Council	UFL	79,118	1,431	727	7,675,646	1,420,872	9,096,518	97.02	No	1,955.78
Bogan Shire Council	RAM	2,580	14,600	1,371	2,976,372	1,524,241	4,500,613	1,153.63	No	1,111.55
Bourke Shire Council	RAM	2,590	41,600	1,883	4,494,452	2,006,285	6,500,737	1,735.31	No	1,065.33
Brewarrina Shire Council	RAS	1,611	19,164	1,272	3,202,048	1,372,268	4,574,316	1,987.62	No	1,078.84
Burwood Council	UDM	40,612	7	82	865,818	282,305	1,148,123	21.32	Yes	3,456.23
Byron Shire Council	URM	35,081	566	566	2,102,865	1,263,547	3,366,412	59.94	No	2,232.75
Cabonne Shire Council	RAV	13,634	6,022	1,709	3,047,756	2,162,983	5,210,739	223.54	No	1,265.57
Campbelltown City Council	UFV	170,943	312	725	8,340,291	1,913,195	10,253,486	48.79	No	2,637.30
Canterbury-Bankstown Council	UDV	377,917	110	858	8,338,151	2,789,274	11,127,425	22.06	No	3,252.19
Carrathool Shire Council	RAM	2,799	18,935	2,275	3,994,713	2,438,334	6,433,047	1,427.19	No	1,071.62
Central Coast Council (NSW)	UFV	343,968	1,681	2,019	21,991,528	4,597,017	26,588,545	63.93	No	2,277.33
Central Darling Shire Council	RTM	1,839	53,492	1,602	4,435,122	1,677,078	6,112,200	2,411.70	No	1,046.67

Council Name	Classification	Population ^a Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Cessnock City Council	URM	59,985	1,965	930	5,700,379	1,807,540	7,507,919	95.03	No	1,942.84
City of Canada Bay Council	UDL	96,074	20	191	2,048,229	670,990	2,719,219	21.32	Yes	3,513.04
City of Lithgow Council	URS	21,605	4,512	882	3,662,634	1,330,392	4,993,026	169.53	No	1,507.61
City of Parramatta Council	UDV	257,197	84	614	7,427,219	2,087,191	9,514,410	28.88	No	3,401.71
Clarence Valley Council	URM	51,662	10,429	2,057	7,911,396	3,436,142	11,347,538	153.14	No	1,670.44
Cobar Shire Council	RTL	4,658	45,579	1,693	4,399,896	1,815,033	6,214,929	944.59	No	1,071.83
Coffs Harbour City Council	URL	77,277	1,174	803	5,449,465	2,338,779	7,788,244	70.52	No	2,912.99
Coolamon Shire Council	RAM	4,341	2,431	1,254	2,593,874	1,354,481	3,948,355	597.53	No	1,080.55
Coonamble Shire Council	RAM	3,958	9,916	1,393	2,864,159	1,554,311	4,418,470	723.64	No	1,115.50
Cootamundra-Gundagai Regional Council	RAV	11,235	3,981	1,265	3,869,953	1,647,626	5,517,579	344.46	No	1,302.65
Council of the City of Broken Hill	URS	17,479	170	211	4,643,244	510,942	5,154,186	265.65	No	2,416.83
Council of the City of Ryde	UDV	131,271	41	309	2,798,603	994,586	3,793,189	21.32	Yes	3,221.54
Council of the City of Shellharbour	URL	73,233	147	416	4,419,157	997,905	5,417,062	60.34	No	2,396.79
Council of the Municipality of Woollahra	UDM	59,387	12	140	1,266,088	452,699	1,718,787	21.32	Yes	3,233.56
Cowra Shire Council	RAV	12,743	2,809	1,200	3,385,366	1,529,117	4,914,483	265.66	No	1,274.30
Cumberland Council	UDV	241,521	72	565	6,489,226	1,827,903	8,317,129	26.87	No	3,234.08
Dubbo Regional Council	URM	53,719	7,535	2,511	8,316,626	3,569,052	11,885,678	154.82	No	1,421.41
Dungog Shire Council	RAL	9,423	2,250	604	1,791,674	970,219	2,761,893	190.14	No	1,605.15
Edward River Council	RAL	9,084	8,883	1,398	4,239,863	1,604,886	5,844,749	466.74	No	1,148.13
Eurobodalla Shire Council	URM	38,473	3,428	950	5,565,048	1,746,920	7,311,968	144.65	No	1,839.17
Fairfield City Council	UDV	211,695	102	613	7,521,864	1,794,073	9,315,937	35.53	No	2,927.14
Federation Council	RAV	12,437	5,685	2,020	4,889,345	2,337,253	7,226,598	393.13	No	1,156.78
Forbes Shire Council	RAL	9,906	4,710	1,745	3,686,739	2,045,838	5,732,577	372.17	No	1,172.74

Council Name	Classification	Population ^a Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Georges River Council	UDV	159,471	38	366	3,399,806	1,167,554	4,567,360	21.32	Yes	3,194.05
Gilgandra Council	RAM	4,239	4,832	1,241	2,751,525	1,415,726	4,167,251	649.10	No	1,140.51
Glen Innes Severn Council	RAL	8,871	5,480	1,092	2,971,290	1,452,403	4,423,693	334.94	No	1,330.09
Goulburn Mulwaree Council	URM	31,132	3,220	1,127	3,537,383	1,827,980	5,365,363	113.63	No	1,622.67
Greater Hume Shire Council	RAV	10,764	5,939	1,801	3,445,962	2,186,652	5,632,614	320.14	No	1,213.83
Griffith City Council	URS	27,029	1,639	1,246	4,127,852	1,728,749	5,856,601	152.72	No	1,387.53
Gunnedah Shire Council	RAV	12,681	4,987	1,366	3,129,683	1,689,702	4,819,385	246.80	No	1,236.95
Gwydir Shire Council	RAL	5,353	9,260	1,739	2,960,830	1,965,670	4,926,500	553.12	No	1,130.59
Hawkesbury City Council	UFM	67,296	2,775	916	2,743,478	1,801,560	4,545,038	40.77	No	1,967.19
Hay Shire Council	RAM	2,949	11,326	777	2,446,802	850,710	3,297,512	829.71	No	1,094.68
Hilltops Council	RAV	18,704	7,141	2,437	5,514,854	2,933,632	8,448,486	294.85	No	1,204.01
Hornsby Shire Council	UFV	152,059	455	561	3,241,821	1,495,481	4,737,302	21.32	Yes	2,667.55
Hunter's Hill Council	UDS	14,980	6	51	336,124	137,226	473,350	22.44	No	2,690.71
Inner West Council	UDV	200,811	35	424	4,281,145	1,420,133	5,701,278	21.32	Yes	3,347.79
Inverell Shire Council	RAV	16,890	8,597	1,742	4,158,668	2,166,635	6,325,303	246.22	No	1,244.11
Junee Shire Council	RAL	6,683	2,030	826	2,049,242	980,670	3,029,912	306.64	No	1,187.64
Kempsey Shire Council	URS	29,745	3,376	1,070	4,432,127	1,881,056	6,313,183	149.00	No	1,757.85
Kiama Municipal Council	URS	23,386	258	228	1,236,594	537,333	1,773,927	52.88	No	2,358.17
Ku-Ring-Gai Council	UDV	127,153	85	440	2,710,810	1,168,455	3,879,265	21.32	Yes	2,654.98
Kyogle Council	RAL	8,796	3,584	1,069	2,989,456	1,686,409	4,675,865	339.87	No	1,578.10
Lachlan Council	RAL	6,075	14,964	3,339	6,217,356	3,560,604	9,777,960	1,023.43	No	1,066.29
Lake Macquarie City Council	URV	205,901	649	1,322	13,890,775	2,919,768	16,810,543	67.46	No	2,208.57
Lane Cove Municipal Council	UDM	40,155	11	93	856,075	300,116	1,156,191	21.32	Yes	3,221.86
Leeton Shire Council	RAV	11,445	1,167	873	3,524,539	1,096,843	4,621,382	307.95	No	1,256.32
Lismore City Council	URM	43,692	1,288	1,090	4,507,119	2,052,563	6,559,682	103.16	No	1,882.36
Liverpool City Council	UDV	227,585	306	897	6,606,302	2,422,914	9,029,216	29.03	No	2,701.13

Council Name	Classification	Population ^a Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Liverpool Plains Shire Council	RAL	7,903	5,082	1,195	2,559,144	1,449,096	4,008,240	323.82	No	1,212.78
Lockhart Shire Council	RAM	3,285	2,896	1,218	2,390,911	1,418,443	3,809,354	727.83	No	1,164.88
Lord Howe Island Board	RTX	382	0	0	228,984	0	228,984	599.43	No	0
Maitland City Council	URL	85,166	392	684	5,801,461	1,470,287	7,271,748	68.12	No	2,150.23
Mid-Coast Council	URL	93,836	10,054	3,234	12,936,876	5,645,120	18,581,996	137.87	No	1,745.55
Mid-Western Regional Council	URS	25,251	8,752	1,925	4,303,894	2,571,536	6,875,430	170.44	No	1,336.13
Moree Plains Shire Council	RAV	13,261	17,907	2,637	5,236,591	3,046,883	8,283,474	394.89	No	1,155.49
Mosman Municipal Council	UDM	30,981	9	85	693,986	247,534	941,520	22.40	No	2,924.90
Murray River Council	RAV	12,118	11,864	2,428	5,666,821	2,992,797	8,659,618	467.64	No	1,232.64
Murrumbidgee Council	RAM	3,917	6,881	1,591	3,090,818	1,720,926	4,811,744	789.08	No	1,081.66
Muswellbrook Shire Council	RAV	16,377	3,405	575	2,736,851	964,090	3,700,941	167.12	No	1,675.86
Nambucca Valley Council	RAV	19,805	1,491	678	2,909,111	1,287,500	4,196,611	146.89	No	1,899.22
Narrabri Shire Council	RAV	13,135	13,015	2,138	5,157,041	2,471,399	7,628,440	392.62	No	1,156.03
Narrandera Shire Council	RAL	5,899	4,116	1,479	3,436,652	1,667,734	5,104,386	582.58	No	1,127.77
Narromine Shire Council	RAL	6,517	5,262	1,369	3,121,417	1,521,032	4,642,449	478.97	No	1,110.86
Newcastle City Council	URV	165,571	187	718	10,862,943	1,831,846	12,694,789	65.61	No	2,552.38
North Sydney Council	UDL	75,021	11	143	1,599,393	505,775	2,105,168	21.32	Yes	3,536.89
Northern Beaches Council	UDV	273,499	254	800	5,830,811	2,315,807	8,146,618	21.32	Yes	2,893.71
Oberon Council	RAL	5,411	3,625	864	1,895,822	1,006,670	2,902,492	350.36	No	1,165.13
Orange City Council	URM	42,451	284	478	3,605,063	1,241,550	4,846,613	84.92	No	2,595.76
Parkes Shire Council	RAV	14,837	5,958	1,931	4,446,516	2,236,881	6,683,397	299.69	No	1,158.31
Penrith City Council	UFV	212,977	405	1,046	8,627,518	2,551,650	11,179,168	40.51	No	2,440.07
Port Macquarie Hastings Council	URL	84,525	3,682	1,263	6,545,907	3,115,635	9,661,542	77.44	No	2,467.78
Port Stephens Council	URL	73,481	858	664	5,593,950	1,305,551	6,899,501	76.13	No	1,966.67
Queanbeyan-Palerang Regional Council	URM	61,100	5,319	1,410	3,768,563	2,609,835	6,378,398	61.68	No	1,851.51

Council Name	Classification	Population ^a Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Randwick City Council	UDV	155,649	36	277	3,318,324	1,022,795	4,341,119	21.32	Yes	3,699.08
Richmond Valley Council	URS	23,465	3,047	996	3,665,820	1,672,185	5,338,005	156.23	No	1,678.31
Shoalhaven City Council	URL	105,648	4,567	1,602	9,192,572	3,617,025	12,809,597	87.01	No	2,258.26
Silverton Village Committee Incorporated	RTX	50	0	0	35,480	0	35,480	709.60	No	0
Singleton Council	URS	23,461	4,893	793	2,555,677	1,384,800	3,940,477	108.93	No	1,746.03
Snowy Monaro Regional Council	URS	20,795	15,164	2,344	7,077,803	2,932,428	10,010,231	340.36	No	1,251.22
Snowy Valleys Council	RAV	14,479	8,959	1,026	4,554,727	1,461,889	6,016,616	314.57	No	1,424.18
Strathfield Municipal Council	UDM	46,926	14	86	1,000,429	316,377	1,316,806	21.32	Yes	3,666.86
Sutherland Shire Council	UDV	230,611	334	802	4,916,460	2,121,971	7,038,431	21.32	Yes	2,646.28
Tamworth Regional Council	URM	62,541	9,884	2,966	6,451,764	4,485,317	10,937,081	103.16	No	1,512.18
Temora Shire Council	RAL	6,307	2,802	1,240	2,448,279	1,385,918	3,834,197	388.18	No	1,118.01
Tenterfield Shire Council	RAL	6,594	7,323	1,449	3,380,734	1,745,518	5,126,252	512.70	No	1,204.79
The Council of Camden	UFL	101,437	201	695	2,465,259	1,620,992	4,086,251	24.30	No	2,333.64
The Council of the City of Sydney	UCC	246,343	27	300	5,251,855	1,463,071	6,714,926	21.32	Yes	4,876.90
The Hills Shire Council	UFV	177,969	386	880	3,794,203	2,066,940	5,861,143	21.32	Yes	2,348.29
Tibooburra Village Committee Incorporated	RTX	134	0	0	79,673	0	79,673	594.57	No	0
Tweed Shire Council	URL	97,001	1,308	1,106	8,024,090	3,059,042	11,083,132	82.72	No	2,765.86
Upper Hunter Shire Council	RAV	14,180	8,096	1,581	3,254,709	2,056,305	5,311,014	229.53	No	1,300.37
Upper Lachlan Shire Council	RAL	8,059	7,127	1,734	3,006,064	2,015,310	5,021,374	373.01	No	1,162.03
Uralla Shire Council	RAL	6,012	3,227	792	1,723,844	995,018	2,718,862	286.73	No	1,256.81
Wagga Wagga City Council	URM	65,258	4,825	2,126	7,259,885	3,448,123	10,708,008	111.25	No	1,622.21
Walcha Council	RAM	3,134	6,261	822	1,553,575	996,172	2,549,747	495.72	No	1,211.96
Walgett Shire Council	RAL	5,953	22,308	1,814	4,822,975	2,062,844	6,885,819	810.18	No	1,137.33

Council Name	Classification	Population ^a Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Warren Shire Council	RAM	2,697	10,754	964	1,998,814	1,095,331	3,094,145	741.12	No	1,136.45
Warrumbungle Shire Council	RAL	9,278	12,372	2,276	4,944,033	2,597,702	7,541,735	532.88	No	1,141.11
Waverley Council	UDL	74,295	9	113	1,585,807	458,236	2,044,043	21.34	No	4,060.22
Weddin Shire Council	RAM	3,613	3,415	957	1,867,825	1,066,223	2,934,048	516.97	No	1,113.85
Wentworth Shire Council	RAL	7,053	26,256	1,945	4,429,815	2,140,228	6,570,043	628.08	No	1,100.61
Willoughby City Council	UDL	81,189	22	199	1,730,891	619,415	2,350,306	21.32	Yes	3,110.76
Wingecarribee Shire Council	URM	51,134	2,689	1,068	3,317,039	2,013,384	5,330,423	64.87	No	1,884.75
Wollondilly Shire Council	UFM	53,149	2,555	741	2,472,849	1,442,992	3,915,841	46.53	No	1,947.00
Wollongong City Council	URV	218,114	684	974	16,673,778	2,562,505	19,236,283	76.45	No	2,631.45
Yass Valley Council	RAV	17,087	3,995	1,067	1,796,679	1,439,714	3,236,393	105.15	No	1,349.17

Notes: a – population estimates provided by the Local Government Grants Commission in each state and the Northern Territory.

* – Indigenous local governing body

Table 46 Distribution of 2020–21 actual entitlement to councils in Victoria

Council Name	Classification	Population ^a Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Alpine Shire	RAV	13,279	4,788	860	2,875,335	1,135,569	4,010,904	216.53	No	1,320.43
Ararat Rural City Council	RAV	11,845	4,211	2,424	3,936,935	2,379,350	6,316,285	332.37	No	981.58
Ballarat City Council	URL	109,505	739	1,435	11,360,430	2,468,408	13,828,838	103.74	No	1,720.14
Banyule City Council	UDV	131,631	63	545	2,811,380	987,152	3,798,532	21.36	Yes	1,811.29
Bass Coast Shire Council	UFM	36,320	866	943	5,133,700	1,495,006	6,628,706	141.35	No	1,585.37
Baw Baw Shire Council	URM	53,486	4,028	2,015	6,858,328	2,902,266	9,760,594	128.23	No	1,440.33
Bayside City Council	UDL	106,862	37	356	2,282,363	534,883	2,817,246	21.36	Yes	1,502.48
Benalla Rural City Council	RAV	14,037	2,353	1,351	2,838,539	1,549,954	4,388,493	202.22	No	1,147.26
Borough of Queenscliffe	UFS	2,940	9	43	440,529	61,066	501,595	149.84	No	1,420.14
Brimbank City Council	UDV	209,523	123	894	12,687,768	1,811,620	14,499,388	60.56	No	2,026.42
Buloke Shire Council	RAL	6,124	8,000	0	4,214,480	2,606,191	6,820,671	688.19	No	0.00
Campaspe Shire Council	URM	37,622	4,519	4,059	8,209,641	4,235,710	12,445,351	218.21	No	1,043.54
Cardinia Shire Council	UFL	112,159	1,283	1,561	9,627,150	2,732,069	12,359,219	85.83	No	1,750.20
Casey City Council	UDV	353,872	409	1,765	18,928,152	2,813,579	21,741,731	53.49	No	1,594.10
Central Goldfields Shire Council	RAV	13,186	1,533	1,280	2,960,903	1,275,572	4,236,475	224.55	No	996.54
City of Boroondara	UDV	183,199	60	562	3,912,771	950,912	4,863,683	21.36	Yes	1,692.01
City of Darebin	UDV	164,184	54	514	3,506,648	928,682	4,435,330	21.36	Yes	1,806.77
City of Glen Eira	UDV	156,511	39	483	3,342,768	675,641	4,018,409	21.36	Yes	1,398.84
City of Greater Dandenong	UDV	168,201	130	690	10,628,478	1,623,145	12,251,623	63.19	No	2,352.38
City of Greater Geelong	URV	258,934	1,248	2,280	19,307,006	3,645,815	22,952,821	74.56	No	1,599.04
City of Knox	UDV	164,538	114	724	6,603,338	1,177,833	7,781,171	40.13	No	1,626.84
City of Maribyrnong	UDL	93,448	31	305	2,301,990	612,500	2,914,490	24.63	No	2,008.20
City of Port Phillip	UDL	115,601	21	215	2,469,011	445,317	2,914,328	21.36	Yes	2,071.24
City of Whittlesea	UFV	230,238	490	1,259	13,101,125	2,327,851	15,428,976	56.90	No	1,848.97

Council Name	Classification	Population ^a Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Colac Otway Shire	URS	21,564	3,438	1,632	4,356,288	2,748,121	7,104,409	202.02	No	1,683.90
Corangamite Shire Council	RAV	16,020	4,408	2,369	4,783,334	3,664,132	8,447,466	298.59	No	1,546.70
East Gippsland Shire Council	URM	47,316	20,940	2,958	11,237,125	4,901,659	16,138,784	237.49	No	1,657.09
Frankston City Council	UDV	142,643	130	705	7,520,718	1,185,682	8,706,400	52.72	No	1,681.82
Gannawarra Shire Council	RAV	10,472	3,735	2,257	3,808,906	2,112,850	5,921,756	363.72	No	936.13
Glenelg Shire Council	RAV	19,674	6,219	2,629	5,097,217	3,616,526	8,713,743	259.08	No	1,375.63
Golden Plains Shire Council	UFS	23,722	2,703	1,864	3,959,932	2,144,253	6,104,185	166.93	No	1,150.35
Greater Bendigo City Council	URL	118,093	3,000	3,129	13,906,411	3,628,423	17,534,834	117.76	No	1,159.61
Greater Shepparton City Council	URM	66,498	2,422	2,525	10,076,258	3,256,028	13,332,286	151.53	No	1,289.52
Hepburn Shire Council	RAV	15,975	1,473	1,509	3,583,636	1,627,634	5,211,270	224.33	No	1,078.62
Hindmarsh Shire Council	RAL	5,588	7,524	3,025	3,221,012	1,725,852	4,946,864	576.42	No	570.53
Hobsons Bay City Council	UDL	97,751	64	431	2,087,770	792,158	2,879,928	21.36	Yes	1,837.95
Horsham Rural City Council	RAV	19,921	4,267	2,975	4,371,353	2,282,789	6,654,142	219.43	No	767.32
Hume City Council	UFV	233,471	504	1,357	14,432,373	2,738,481	17,170,854	61.82	No	2,018.04
Indigo Shire Council	RAV	16,701	2,040	1,601	3,312,825	1,767,411	5,080,236	198.36	No	1,103.94
Kingston City Council	UDV	165,782	91	616	3,540,778	1,103,734	4,644,512	21.36	Yes	1,791.78
Latrobe City Council	URL	75,561	1,426	1,582	9,816,641	2,679,468	12,496,109	129.92	No	1,693.72
Loddon Shire Council	RAL	7,504	6,696	4,718	5,562,186	3,820,098	9,382,284	741.23	No	809.69
Macedon Ranges Shire Council	URM	50,231	1,748	1,639	5,834,173	2,412,507	8,246,680	116.15	No	1,471.94
Manningham City Council	UDV	127,573	113	605	2,724,709	863,989	3,588,698	21.36	Yes	1,428.08
Mansfield Shire Council	RAL	9,446	3,844	819	2,334,337	953,782	3,288,119	247.12	No	1,164.57
Maroondah City Council	UDL	118,558	61	475	4,219,670	814,671	5,034,341	35.59	No	1,715.10
Melbourne City Council (City of Melbourne)	UCC	178,955	37	243	3,822,129	752,069	4,574,198	21.36	Yes	3,094.93
Melton City Council	UFV	164,895	528	1,169	15,195,325	2,291,413	17,486,738	92.15	No	1,960.15

Council Name	Classification	Population ^a Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Mildura Rural City Council	URM	55,777	22,083	5,220	11,594,501	4,333,432	15,927,933	207.87	No	830.16
Mitchell Shire Council	URM	46,082	2,862	1,514	6,259,281	2,048,080	8,307,361	135.83	No	1,352.76
Moira Shire Council	URS	29,925	4,046	3,649	7,490,857	4,079,356	11,570,213	250.32	No	1,117.94
Monash City Council	UDV	202,847	82	736	4,332,414	1,290,020	5,622,434	21.36	Yes	1,752.74
Moonee Valley City Council	UDV	130,294	43	411	2,782,824	756,989	3,539,813	21.36	Yes	1,841.82
Moorabool Shire Council	URM	35,049	2,111	1,526	4,805,563	2,044,985	6,850,548	137.11	No	1,340.10
Moreland City Council	UDV	185,767	51	521	3,967,619	973,833	4,941,452	21.36	Yes	1,869.16
Mornington Peninsula Shire Council	UFV	167,636	724	1,707	3,688,052	2,588,804	6,276,856	22.00	No	1,516.58
Mount Alexander Shire Council	RAV	19,754	1,530	1,428	3,586,061	1,836,009	5,422,070	181.54	No	1,285.72
Murrindindi Shire Council	RAV	14,570	3,880	1,201	3,261,221	1,747,779	5,009,000	223.83	No	1,455.27
Nillumbik Shire Council	UFM	65,094	432	773	2,037,350	1,194,130	3,231,480	31.30	No	1,544.80
Northern Grampians Shire Council	RAV	11,402	5,730	3,375	4,980,484	3,011,803	7,992,287	436.81	No	892.39
Pyrenees Shire Council	RAL	7,472	3,435	2,036	3,682,933	2,231,175	5,914,108	492.90	No	1,095.86
Shire of Moyne	RAV	16,953	5,482	2,744	4,826,616	4,298,181	9,124,797	284.71	No	1,566.39
Shire of Strathbogie	RAV	10,781	3,303	2,204	3,485,763	2,289,374	5,775,137	323.32	No	1,038.74
Shire of Towong	RAL	6,040	6,675	1,183	3,276,586	1,865,384	5,141,970	542.48	No	1,576.83
South Gippsland Shire Council	URS	29,914	3,296	2,101	6,608,960	3,908,711	10,517,671	220.93	No	1,860.41
Southern Grampians Shire Council	RAV	16,100	6,654	2,992	4,759,389	3,205,639	7,965,028	295.61	No	1,071.40
Stonnington City Council	UDL	117,768	26	330	2,515,294	475,868	2,991,162	21.36	Yes	1,442.02
Surf Coast Shire	UFM	33,456	1,553	1,120	3,071,073	1,697,798	4,768,871	91.79	No	1,515.89
Swan Hill Rural City Council	URS	20,649	6,115	3,489	4,924,880	2,369,994	7,294,874	238.50	No	679.28
Wangaratta Rural City Council	URS	29,187	3,645	1,962	5,140,172	2,500,097	7,640,269	176.11	No	1,274.26
Warrnambool City Council	URM	35,181	121	337	3,476,560	691,972	4,168,532	98.82	No	2,053.33
Wellington Shire Council	URM	44,380	10,817	3,032	9,554,763	5,075,528	14,630,291	215.29	No	1,673.99

Council Name	Classification	Population ^a Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
West Wimmera Shire Council	RAM	3,841	9,108	2,775	3,766,013	2,439,979	6,205,992	980.48	No	879.27
Whitehorse City Council	UDV	178,739	64	633	3,817,515	1,077,264	4,894,779	21.36	Yes	1,701.84
Wodonga City Council	URM	42,083	433	502	4,721,053	810,006	5,531,059	112.18	No	1,613.56
Wyndham City Council	UFV	270,487	542	1,558	16,911,583	2,574,845	19,486,428	62.52	No	1,652.66
Yarra City Council	UDL	101,495	20	216	2,167,734	420,628	2,588,362	21.36	Yes	1,947.35
Yarra Ranges Shire Council	UFV	159,462	2,468	1,754	11,309,494	3,417,969	14,727,463	70.92	No	1,948.67
Yarriambiack Shire Council	RAL	6,639	7,323	4,821	3,644,444	2,164,822	5,809,266	548.94	No	449.04

Notes: a – population estimates provided by the Local Government Grants Commission in each state and the Northern Territory.

* – Indigenous local governing body

Table 47 Distribution of 2020–21 actual entitlement to councils in Queensland

Council Name	Classification	Population ^a Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Aurukun Shire Council*	RTM	1,418	7,424	125	2,139,079	93,662	2,232,741	1,508.52	No	749.30
Balonne Shire Council	RAM	4,360	31,104	2,605	4,228,048	1,676,770	5,904,818	969.74	No	643.67
Banana Shire Council	RAV	14,156	28,550	3,975	4,829,824	2,640,557	7,470,381	341.19	No	664.29
Barcaldine Regional Council	RTM	2,849	53,383	2,987	5,678,055	1,899,165	7,577,220	1,993.00	No	635.81
Barcoo Shire Council	RTX	266	61,830	1,652	2,828,287	1,036,053	3,864,340	10,632.66	No	627.15
Blackall-Tambo Regional Council	RTM	1,868	30,537	1,867	3,087,672	1,188,011	4,275,683	1,652.93	No	636.32
Boulia Shire Council	RTS	423	60,906	1,329	2,320,103	835,766	3,155,869	5,484.88	No	628.87
Brisbane City Council	UCC	1,253,982	1,343	5,778	26,669,921	17,310,691	43,980,612	21.27	Yes	2,995.97
Bulloo Shire Council	RTX	325	73,724	2,002	6,268,749	1,255,585	7,524,334	19,288.46	No	627.17
Bundaberg Regional Council	URL	95,856	6,431	3,064	5,577,368	2,963,229	8,540,597	58.18	No	967.11
Burdekin Shire Council	RAV	16,971	5,044	1,150	2,627,965	904,574	3,532,539	154.85	No	786.59
Burke Shire Council	RTX	354	39,684	713	2,682,184	449,772	3,131,956	7,576.79	No	630.82
Cairns Regional Council	URV	166,862	1,689	1,345	3,548,852	2,666,691	6,215,543	21.27	Yes	1,982.67
Carpentaria Shire Council	RTM	1,977	64,121	1,662	4,334,756	1,061,113	5,395,869	2,192.59	No	638.46
Cassowary Coast Regional Council	URS	29,794	4,688	1,203	2,837,464	1,077,785	3,915,249	95.24	No	895.91
Central Highlands Regional Council	URS	28,701	59,835	4,602	7,234,214	3,191,553	10,425,767	252.05	No	693.51
Charters Towers Regional Council	RAV	11,739	68,382	3,784	3,984,846	2,494,708	6,479,554	339.45	No	659.28
Cherbourg Aboriginal Shire Council*	RTM	1,331	32	71	918,583	58,941	977,524	690.15	No	830.15
Cloncurry Shire Council	RTL	3,047	47,971	1,551	4,766,110	1,003,265	5,769,375	1,564.20	No	646.85
Cook Shire Council	RTL	4,549	105,719	2,927	8,854,230	1,880,210	10,734,440	1,946.41	No	642.37
Croydon Shire Council	RTX	284	29,498	1,088	3,666,078	683,529	4,349,607	12,908.73	No	628.24

Council Name	Classification	Population ^a Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Diamantina Shire Council	RTX	291	94,731	1,061	2,534,409	666,719	3,201,128	8,709.31	No	628.39
Doomadgee Aboriginal Shire Council*	RTM	1,526	1,828	113	1,598,032	87,338	1,685,370	1,047.20	No	772.90
Douglas Shire Council	RAV	12,367	2,428	443	1,215,074	412,133	1,627,207	98.25	No	930.32
Etheridge Shire Council	RTS	793	39,199	1,753	4,782,294	1,104,974	5,887,268	6,030.64	No	630.33
Flinders Shire Council	RTM	1,505	41,200	1,999	6,249,283	1,266,597	7,515,880	4,152.35	No	633.62
Fraser Coast Regional Council	URL	106,712	7,105	2,630	5,287,243	2,810,390	8,097,633	49.55	No	1,068.59
Gladstone Regional Council	URM	63,412	10,484	2,588	5,847,291	2,311,160	8,158,451	92.21	No	893.03
Gold Coast City Council	URV	620,518	1,334	3,439	13,197,291	8,928,607	22,125,898	21.27	Yes	2,596.28
Goondiwindi Regional Council	RAV	10,799	19,258	2,484	4,598,768	1,671,430	6,270,198	425.85	No	672.88
Gympie Regional Council	URM	52,446	6,884	2,292	3,647,789	2,006,264	5,654,053	69.55	No	875.33
Hinchinbrook Shire Council	RAV	10,687	2,807	693	1,487,043	550,130	2,037,173	139.15	No	793.84
Hope Vale Aboriginal Shire Council*	RTM	1,117	1,112	132	1,580,301	94,753	1,675,054	1,414.77	No	717.83
Ipswich City Council	URV	222,307	1,094	1,749	4,728,066	3,522,058	8,250,124	21.27	Yes	2,013.76
Isaac Regional Council	URS	20,886	58,708	3,254	3,330,006	2,263,163	5,593,169	159.44	No	695.50
Kowanyama Aboriginal Shire Council*	RTS	990	2,555	352	1,643,244	231,240	1,874,484	1,659.84	No	656.93
Livingstone Shire Council	UFM	38,078	11,758	1,465	2,969,803	1,332,123	4,301,926	77.99	No	909.30
Lockhart River Aboriginal Shire Council*	RTS	800	3,576	176	1,789,212	118,808	1,908,020	2,236.52	No	675.05
Lockyer Valley Regional Council	URM	41,731	2,269	1,448	3,332,601	1,361,393	4,693,994	79.86	No	940.19
Logan City Council	URV	334,358	958	2,491	7,111,188	5,210,025	12,321,213	21.27	Yes	2,091.54
Longreach Regional Council	RTL	3,470	40,572	2,748	6,121,891	1,756,480	7,878,371	1,764.23	No	639.18
Mackay Regional Council	URL	116,763	7,613	2,530	3,254,944	2,857,638	6,112,582	27.88	No	1,129.50
Mapoon Aboriginal Shire Council*	RTX	333	537	57	1,302,369	39,285	1,341,654	3,911.02	No	689.21

Council Name	Classification	Population ^a Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Maranoa Regional Council	RAV	12,665	58,705	5,820	13,461,185	3,778,121	17,239,306	1,062.86	No	649.16
Mareeba Shire Council	URS	22,730	53,491	2,300	6,527,795	1,686,680	8,214,475	287.19	No	733.34
McKinlay Shire Council	RTS	818	40,737	1,633	4,540,549	1,030,200	5,570,749	5,550.79	No	630.86
Moreton Bay Regional Council	URV	469,465	2,042	3,721	9,984,669	7,455,023	17,439,692	21.27	Yes	2,003.50
Mornington Shire Council*	RTM	1,230	1,248	158	2,414,837	112,247	2,527,084	1,963.28	No	710.42
Mount Isa City Council	RTL	18,595	43,713	2,033	5,439,238	1,474,535	6,913,773	292.51	No	725.30
Murweh Shire Council	RTL	4,295	40,700	2,782	5,536,432	1,786,755	7,323,187	1,289.04	No	642.26
Napranum Aboriginal Shire Council*	RTM	1,077	2,004	173	1,502,442	119,957	1,622,399	1,395.03	No	693.39
Noosa Shire Council	URM	55,873	870	875	1,188,317	1,157,350	2,345,667	21.27	Yes	1,322.69
North Burnett Regional Council	RAV	10,599	19,670	4,179	9,075,893	2,729,548	11,805,441	856.30	No	653.16
Northern Peninsula Area Regional Council*	RTL	3,163	1,052	363	4,326,081	261,567	4,587,648	1,367.71	No	720.57
Palm Island Aboriginal Shire Council*	RTM	2,671	72	43	1,922,046	56,067	1,978,113	719.60	No	1,303.88
Paroo Shire Council	RTM	1,562	47,613	2,358	4,283,816	1,491,736	5,775,552	2,742.52	No	632.63
Porpuraaw Aboriginal Shire Council*	RTS	845	4,395	454	1,594,169	293,158	1,887,327	1,886.59	No	645.72
Quilpie Shire Council	RTS	778	67,415	2,082	3,828,327	1,310,564	5,138,891	4,920.73	No	629.47
Redland City Council	URV	158,815	537	1,203	3,377,707	2,487,074	5,864,781	21.27	Yes	2,067.39
Richmond Shire Council	RTS	810	26,581	1,297	2,844,919	819,981	3,664,900	3,512.25	No	632.21
Rockhampton Regional Council	URL	81,512	6,570	2,088	6,455,631	2,196,045	8,651,676	79.20	No	1,051.75
Scenic Rim Regional Council	UFM	43,123	4,243	1,815	1,871,483	1,606,304	3,477,787	43.40	No	885.02
Somerset Regional Council	UFS	26,219	5,373	1,863	2,129,825	1,451,755	3,581,580	81.23	No	779.26
South Burnett Regional Council	URM	32,521	8,382	2,995	4,909,838	2,228,274	7,138,112	150.97	No	744.00

Council Name	Classification	Population ^a Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Southern Downs Regional Council	URM	35,452	7,108	3,093	4,291,278	2,321,578	6,612,856	121.04	No	750.59
Sunshine Coast Regional Council	URV	328,428	2,254	2,971	6,985,067	5,445,440	12,430,507	21.27	Yes	1,832.86
Tablelands Regional Council	URS	25,575	11,293	1,846	5,047,442	1,433,827	6,481,269	197.36	No	776.72
Toowoomba Regional Council	URV	169,008	12,957	6,647	7,851,404	6,003,046	13,854,450	46.46	No	903.12
Torres Shire Council	RTL	3,887	884	299	3,715,302	229,450	3,944,752	955.83	No	767.39
Torres Strait Island Regional Council*	RTL	5,104	490	278	11,418,102	229,610	11,647,712	2,237.09	No	825.94
Townsville City Council	URV	195,032	3,731	1,795	4,147,977	3,252,903	7,400,880	21.27	Yes	1,812.20
Western Downs Regional Council	URM	34,585	37,937	7,455	11,764,982	5,040,068	16,805,050	340.18	No	676.07
Whitsunday Regional Council	URM	35,357	23,819	1,780	4,297,526	1,499,650	5,797,176	121.55	No	842.50
Winton Shire Council	RTM	1,153	53,814	2,488	4,134,307	1,568,570	5,702,877	3,585.70	No	630.45
Woorabinda Aboriginal Shire Council*	RTM	1,016	391	56	886,563	46,289	932,852	872.60	No	826.59
Wujal Wujal Aboriginal Shire Council*	RTX	312	12	18	868,835	14,665	883,500	2,784.73	No	814.72
Yarrabah Aboriginal Shire Council*	RTM	2,901	159	69	1,548,228	70,393	1,618,621	533.69	No	1,020.19

Notes: a – population estimates provided by the Local Government Grants Commission in each state and the Northern Territory.

* – Indigenous local governing body

Table 48 Distribution of 2020–21 actual entitlement to councils in Western Australia

Council Name	Classification	Population ^a Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
City of Albany	URM	38,053	4,311	1,602	2,411,076	1,936,724	4,347,800	63.36	No	1,208.94
City of Armadale ^{sw}	UFM	90,797	560	762	1,875,966	1,847,813	3,723,779	21.22	Yes	2,424.95
City of Bayswater	UDM	68,362	35	350	1,455,754	835,735	2,291,489	21.22	Yes	2,387.81
City of Belmont	UDM	42,078	40	228	893,003	578,020	1,471,023	21.22	Yes	2,535.18
City of Bunbury ^{sw}	URM	31,644	65	321	677,952	1,114,241	1,792,193	21.42	No	3,471.16
City of Busselton ^{sw}	URM	39,623	1,454	1,095	840,902	1,856,616	2,697,518	21.22	Yes	1,695.54
City of Canning	UDL	92,888	65	578	1,983,443	1,389,164	3,372,607	21.22	Yes	2,403.40
City of Cockburn	UDL	114,320	168	854	2,426,164	1,766,309	4,192,473	21.22	Yes	2,068.28
City of Fremantle	UDM	31,084	19	176	659,683	423,683	1,083,366	21.22	Yes	2,407.29
City of Gosnells	UDV	124,081	127	786	2,633,318	1,762,437	4,395,755	21.22	Yes	2,242.29
City of Greater Geraldton	URM	38,288	9,909	2,084	3,800,990	2,117,326	5,918,316	99.27	No	1,015.99
City of Joondalup	UDV	159,806	99	1,011	3,414,320	2,308,062	5,722,382	21.22	Yes	2,282.95
City of Kalamunda	UFM	58,954	324	616	1,257,635	1,203,713	2,461,348	21.22	Yes	1,954.08
City of Kalgoorlie-Boulder ^{sw}	URM	29,469	95,498	1,372	1,063,816	1,846,501	2,910,317	36.10	No	1,345.85
City of Karratha	URS	22,716	15,237	648	937,583	1,158,326	2,095,909	41.27	No	1,787.54
City of Kwinana	UFM	45,092	120	425	956,968	826,385	1,783,353	21.22	Yes	1,944.44
City of Mandurah	UFL	86,474	175	696	1,835,201	1,389,285	3,224,486	21.22	Yes	1,996.10
City of Melville	UDL	102,307	53	528	2,174,928	1,161,558	3,336,486	21.22	Yes	2,199.92
City of Nedlands	UDS	22,599	20	137	481,198	303,268	784,466	21.22	Yes	2,213.64
City of Perth	UCC	28,832	14	106	611,889	475,229	1,087,118	21.22	Yes	4,483.29
City of Rockingham	UFV	135,943	258	1,056	2,885,060	2,141,489	5,026,549	21.22	Yes	2,027.93
City of South Perth	UDM	43,773	20	192	929,241	425,126	1,354,367	21.22	Yes	2,214.20
City of Stirling	UDV	221,040	105	1,029	4,699,094	2,271,003	6,970,097	21.22	Yes	2,207.00
City of Subiaco	UDS	17,251	6	77	366,110	200,005	566,115	21.22	Yes	2,597.47

Council Name	Classification	Population ^a Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
City of Swan ^{SW}	UFV	147,353	1,043	1,480	3,127,210	2,784,750	5,911,960	21.22	Yes	1,881.59
City of Vincent	UDS	36,561	11	146	775,919	383,801	1,159,720	21.22	Yes	2,628.77
City of Wanneroo	UFV	208,237	683	1,510	4,419,325	3,195,957	7,615,282	21.22	Yes	2,116.53
Shire of Ashburton	RTL	13,305	100,818	1,711	2,676,578	1,168,095	3,844,673	201.17	No	682.70
Shire of Augusta Margaret River ^{SW}	RSG	16,172	2,122	907	349,527	1,489,580	1,839,107	21.61	No	1,642.32
Shire of Beverley	RAS	1,758	2,371	697	818,504	498,241	1,316,745	465.59	No	714.84
Shire of Boddington	RAS	1,801	1,905	265	93,034	219,587	312,621	51.66	No	828.63
Shire of Boyup Brook ^{SW}	RAS	1,763	2,827	1,020	817,463	955,418	1,772,881	463.68	No	936.68
Shire of Bridgetown Greenbushes	RAM	4,740	1,337	686	1,179,286	700,861	1,880,147	248.79	No	1,021.66
Shire of Brookton	RAS	952	1,601	529	692,916	362,800	1,055,716	727.85	No	685.82
Shire of Broome	RTL	16,907	54,402	562	1,865,588	950,065	2,815,653	110.34	No	1,690.51
Shire of Broomehill- Tambellup ^{SW}	RAS	1,108	2,610	971	1,167,392	1,152,957	2,320,349	1,053.60	No	1,187.39
Shire of Bruce Rock ^{SW}	RAS	940	2,725	1,173	1,709,548	974,418	2,683,966	1,818.67	No	830.71
Shire of Capel ^{SW}	URS	18,161	558	502	1,196,380	829,702	2,026,082	65.88	No	1,652.79
Shire of Carnamah	RAS	534	2,871	643	940,637	416,894	1,357,531	1,761.49	No	648.36
Shire of Carnarvon	RAL	5,182	46,575	1,515	3,683,484	1,357,726	5,041,210	710.82	No	896.19
Shire of Chapman Valley	RAS	1,513	3,981	866	471,396	552,600	1,023,996	311.56	No	638.11
Shire of Chittering ^{SW}	RAL	5,898	1,220	440	859,656	1,052,193	1,911,849	145.75	No	2,391.35
Shire of Collie ^{SW}	RAL	8,672	1,710	389	1,188,087	818,239	2,006,326	137.00	No	2,103.44
Shire of Coolgardie	RTL	3,404	30,298	847	538,697	538,370	1,077,067	158.25	No	635.62
Shire of Coorow	RAS	980	4,190	856	1,157,608	576,507	1,734,115	1,181.23	No	673.49
Shire of Corrigin	RAS	1,133	2,681	1,059	1,217,693	715,384	1,933,077	1,074.75	No	675.53
Shire of Cranbrook	RAS	1,057	3,276	1,014	825,493	676,494	1,501,987	780.98	No	667.15
Shire of Cuballing	RAS	850	1,195	555	563,129	350,125	913,254	662.50	No	630.86

Council Name	Classification	Population ^a Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Shire of Cue	RTX	143	13,582	730	1,468,310	523,446	1,991,756	10,267.90	No	717.05
Shire of Cunderdin	RAS	1,422	1,862	783	880,243	541,125	1,421,368	619.02	No	691.09
Shire of Dalwallinu	RAS	1,401	7,224	1,912	1,696,106	1,203,538	2,899,644	1,210.64	No	629.47
Shire of Dandaragan	RAM	3,266	6,712	1,295	722,989	1,063,111	1,786,100	221.37	No	820.94
Shire of Dardanup ^{sw}	RAV	14,449	526	422	955,493	1,070,022	2,025,515	66.13	No	2,535.60
Shire of Denmark ^{sw}	RAL	6,215	1,860	625	580,778	1,131,056	1,711,834	93.45	No	1,809.69
Shire of Derby West Kimberley ^{sw}	RTL	8,202	119,731	1,739	4,271,811	1,556,080	5,827,891	520.83	No	894.81
Shire of Donnybrook Balingup ^{sw}	RAL	6,095	1,560	669	1,364,253	1,129,352	2,493,605	223.83	No	1,688.12
Shire of Dowerin	RAS	671	1,863	939	940,034	578,549	1,518,583	1,400.94	No	616.13
Shire of Dumbleyung	RAS	665	2,539	993	1,085,928	653,366	1,739,294	1,632.97	No	657.97
Shire of Dundas	RTS	714	92,885	633	1,075,065	410,322	1,485,387	1,505.69	No	648.22
Shire of East Pilbara ^{sw}	RTL	10,928	372,308	3,110	2,337,433	2,631,007	4,968,440	213.89	No	845.98
Shire of Esperance	RAV	14,225	44,798	4,256	2,578,727	3,108,470	5,687,197	181.28	No	730.37
Shire of Exmouth	RTM	2,871	6,488	236	1,436,180	433,858	1,870,038	500.24	No	1,838.38
Shire of Gingin	RAL	5,273	3,208	875	881,996	917,663	1,799,659	167.27	No	1,048.76
Shire of Gnowangerup	RAS	1,200	4,265	1,027	811,649	679,165	1,490,814	676.37	No	661.31
Shire of Goomalling	RAS	1,002	1,835	589	437,236	389,350	826,586	436.36	No	661.04
Shire of Halls Creek ^{sw}	RTL	3,454	133,061	1,420	3,455,684	1,197,440	4,653,124	1,000.49	No	843.27
Shire of Harvey ^{sw}	URS	27,975	1,728	854	1,944,521	1,354,631	3,299,152	69.51	No	1,586.22
Shire of Irwin	RAM	3,567	2,369	445	209,071	351,407	560,478	58.61	No	789.68
Shire of Jerramungup	RAS	1,127	6,509	1,057	722,301	664,682	1,386,983	640.91	No	628.84
Shire of Katanning	RAM	4,042	1,518	692	1,537,213	526,606	2,063,819	380.31	No	760.99
Shire of Kellerberrin	RAS	1,195	1,915	945	1,472,528	606,666	2,079,194	1,232.24	No	641.97
Shire of Kent	RAS	559	5,625	1,324	1,072,174	771,706	1,843,880	1,918.02	No	582.86
Shire of Kojonup	RAS	1,939	2,931	1,112	868,382	709,771	1,578,153	447.85	No	638.28

Council Name	Classification	Population ^a Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Shire of Kondinin	RAS	857	7,441	1,337	1,397,348	834,873	2,232,221	1,630.51	No	624.44
Shire of Koorda	RAS	406	2,832	1,067	1,287,929	670,403	1,958,332	3,172.24	No	628.31
Shire of Kulin	RAS	761	4,719	1,434	1,290,037	921,963	2,212,000	1,695.19	No	642.93
Shire of Lake Grace	RAS	1,263	11,886	2,281	1,554,357	1,362,568	2,916,925	1,230.69	No	597.36
Shire of Laverton ^{sw}	RTM	1,197	179,985	4,191	1,536,615	1,178,452	2,715,067	1,283.72	No	281.19
Shire of Leonora	RTM	1,526	31,915	1,226	588,985	676,716	1,265,701	385.97	No	551.97
Shire of Manjimup	RAL	9,111	7,030	1,302	2,964,438	1,442,234	4,406,672	325.37	No	1,107.71
Shire of Meekatharra	RTM	983	100,189	2,423	2,399,850	1,291,202	3,691,052	2,441.35	No	532.89
Shire of Menzies ^{sw}	RTS	520	124,111	1,325	1,663,229	923,506	2,586,735	3,198.52	No	696.99
Shire of Merredin	RAM	3,365	3,294	1,291	1,534,889	882,149	2,417,038	456.13	No	683.31
Shire of Mingenew	RAS	427	1,935	451	316,585	338,736	655,321	741.42	No	751.08
Shire of Moora	RAM	2,374	3,763	935	929,726	773,443	1,703,169	391.63	No	827.21
Shire of Morawa	RAS	674	3,511	971	1,118,170	602,492	1,720,662	1,659.01	No	620.49
Shire of Mount Magnet	RTS	454	13,858	579	1,490,409	341,777	1,832,186	3,282.84	No	590.29
Shire of Mount Marshall	RAS	519	10,185	1,676	1,573,391	920,889	2,494,280	3,031.58	No	549.46
Shire of Mukinbudin	RAS	533	3,427	905	1,133,921	563,994	1,697,915	2,127.43	No	623.20
Shire of Mundaring	UFM	39,100	643	671	1,257,152	1,096,966	2,354,118	32.15	No	1,634.82
Shire of Murchison	RTX	162	45,046	1,647	2,929,123	929,299	3,858,422	18,081.01	No	564.24
Shire of Murray ^{sw}	RAV	17,911	1,704	706	899,386	1,188,199	2,087,585	50.21	No	1,683.00
Shire of Nannup	RAS	1,386	3,054	490	844,260	505,640	1,349,900	609.13	No	1,031.92
Shire of Narembeen	RAS	845	3,809	1,410	1,295,219	848,707	2,143,926	1,532.80	No	601.92
Shire of Narrogin	RAL	4,984	1,631	800	1,684,688	619,133	2,303,821	338.02	No	773.92
Shire of Ngaanyatjaraku ^{*sw}	RTM	1,750	159,822	1,329	3,218,241	1,346,970	4,565,211	1,838.99	No	1,013.52
Shire of Northam	RAV	11,049	1,431	764	2,564,120	849,714	3,413,834	232.07	No	1,112.19
Shire of Northampton	RAM	2,944	12,544	1,073	958,724	754,566	1,713,290	325.65	No	703.23
Shire of Nungarin	RAS	249	1,166	510	987,000	322,917	1,309,917	3,963.86	No	633.17

Council Name	Classification	Population ^a Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Shire of Peppermint Grove	UDS	1,732	1	9	36,757	21,194	57,951	21.22	Yes	2,354.89
Shire of Perenjori	RAS	580	8,301	1,472	1,230,076	939,517	2,169,593	2,120.82	No	638.26
Shire of Pingelly	RAS	1,147	1,295	569	919,715	389,009	1,308,724	801.84	No	683.67
Shire of Plantagenet	RAL	5,263	4,877	1,312	919,841	928,410	1,848,251	174.78	No	707.63
Shire of Quairading	RAS	999	2,017	863	1,279,036	585,197	1,864,233	1,280.32	No	678.10
Shire of Ravensthorpe	RAS	1,558	9,842	1,227	1,180,099	781,230	1,961,329	757.44	No	636.70
Shire of Sandstone	RTX	79	32,605	914	1,600,871	479,291	2,080,162	20,264.19	No	524.39
Shire of Serpentine Jarrahdale	UFS	32,562	901	747	1,589,707	1,102,013	2,691,720	48.82	No	1,475.25
Shire of Shark Bay	RTS	939	24,201	585	1,457,704	498,474	1,956,178	1,552.40	No	852.09
Shire of Tammin	RAS	398	1,102	495	753,164	306,461	1,059,625	1,892.37	No	619.11
Shire of Three Springs	RAS	573	2,657	692	802,012	479,435	1,281,447	1,399.67	No	692.83
Shire of Toodyay ^{sw}	RAM	4,458	1,692	635	949,524	897,584	1,847,108	212.99	No	1,413.52
Shire of Trayning	RAS	352	1,651	752	1,215,451	480,730	1,696,181	3,452.99	No	639.27
Shire of Upper Gascoyne	RTX	285	57,810	1,881	2,867,644	1,008,932	3,876,576	10,061.91	No	536.38
Shire of Victoria Plains	RAS	914	2,551	807	608,018	565,853	1,173,871	665.23	No	701.18
Shire of Wagin	RAS	1,786	1,946	783	918,732	518,436	1,437,168	514.41	No	662.11
Shire of Wandering	RAS	424	1,904	355	305,728	246,005	551,733	721.06	No	692.97
Shire of Waroona	RAM	4,212	832	340	906,357	414,664	1,321,021	215.18	No	1,219.60
Shire of West Arthur	RAS	780	2,832	855	542,549	541,070	1,083,619	695.58	No	632.83
Shire of Westonia	RAS	306	3,319	880	867,049	539,255	1,406,304	2,833.49	No	612.79
Shire of Wickepin	RAS	714	2,041	868	1,096,561	544,975	1,641,536	1,535.80	No	627.85
Shire of Williams	RAS	1,010	2,305	473	208,755	322,250	531,005	206.69	No	681.29
Shire of Wiluna	RTS	684	181,297	1,909	1,897,878	913,215	2,811,093	2,774.68	No	478.37
Shire of Wongan-Ballidu	RAS	1,288	3,365	1,320	1,337,644	844,787	2,182,431	1,038.54	No	639.99
Shire of Woodanilling	RAS	430	1,129	522	522,252	326,929	849,181	1,214.54	No	626.30
Shire of Wyalkatchem	RAS	492	1,595	724	1,139,254	472,758	1,612,012	2,315.56	No	652.98

Council Name	Classification	Population ^a Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Shire of Wyndham East Kimberley ^{sw}	RTL	7,338	112,066	857	2,778,697	1,512,227	4,290,924	378.67	No	1,764.56
Shire of Yalgoo	RTX	356	27,950	1,133	1,821,418	619,418	2,440,836	5,116.34	No	546.71
Shire of Yilgarn	RAS	1,163	30,429	2,731	1,768,905	1,495,158	3,264,063	1,520.98	No	547.48
Shire of York	RAM	3,575	2,132	667	846,021	655,787	1,501,808	236.65	No	983.19
Town of Bassendean	UDS	15,823	10	96	335,805	223,759	559,564	21.22	Yes	2,330.82
Town of Cambridge	UDS	28,867	22	173	612,632	402,648	1,015,280	21.22	Yes	2,327.45
Town of Claremont	UDS	10,712	5	47	228,374	110,331	338,705	21.22	Yes	2,347.47
Town of Cottesloe	UDS	8,251	4	47	175,107	108,226	283,333	21.22	Yes	2,302.68
Town of East Fremantle	UDS	7,837	3	37	166,650	77,323	243,973	21.22	Yes	2,089.81
Town of Mosman Park	UDS	9,111	4	44	193,448	89,622	283,070	21.22	Yes	2,036.86
Town of Port Hedland ^{sw}	RTL	15,144	18,417	458	756,959	854,172	1,611,131	49.98	No	1,865.00
Town of Victoria Park	UDM	36,962	18	166	784,429	390,153	1,174,582	21.22	Yes	2,350.32

Notes: a – population estimates provided by the Local Government Grants Commission in each state and the Northern Territory.

* – Indigenous local governing body

sw – special works included in local roads totals.

Table 49 Distribution of 2020–21 actual entitlement to councils in South Australia

Council Name	Classification	Population ^a Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Adelaide Hills Council	UFM	39,977	794	1,015	848,222	759,439	1,607,661	21.22	Yes	748.22
Adelaide Plains Council	RAL	9,137	1,048	968	1,197,808	287,912	1,485,720	131.09	No	297.43
Alexandrina Council	UFS	27,427	1,828	1,377	985,142	660,909	1,646,051	35.92	No	479.96
Anangu Pitjantjatjara Inc*	RTM	2,573	0	3,185	1,248,991	165,431	1,414,422	485.42	No	51.94
Barunga West Council	RAM	2,563	1,721	929	306,841	219,571	526,412	119.72	No	236.35
Berri Barmera Council ^{sw}	RAV	10,842	509	466	2,377,832	399,878	2,777,710	219.32	No	858.11
City of Burnside	UDM	45,816	28	239	972,112	527,017	1,499,129	21.22	Yes	2,205.09
City of Charles Sturt	UDL	118,943	56	583	2,523,702	1,330,340	3,854,042	21.22	Yes	2,281.89
City of Holdfast Bay	UDM	37,435	14	171	794,286	405,901	1,200,187	21.22	Yes	2,373.69
City of Mitcham	UDM	67,474	76	406	1,431,646	831,820	2,263,466	21.22	Yes	2,048.82
City of Mount Gambier ^{sw}	URS	27,275	34	227	2,990,358	818,468	3,808,826	109.64	No	3,605.59
City of Onkaparinga ^{sw}	UFV	172,938	520	1,505	5,629,888	2,634,160	8,264,048	32.55	No	1,750.27
City of Playford	UFL	94,848	358	841	10,047,737	1,441,199	11,488,936	105.94	No	1,713.67
City of Port Adelaide Enfield ^{sw}	UDV	127,740	94	692	2,710,355	1,722,113	4,432,468	21.22	Yes	2,488.60
City of Port Lincoln	URS	14,718	32	160	1,478,180	241,578	1,719,758	100.43	No	1,509.86
City of Prospect	UDS	21,520	8	87	456,606	221,893	678,499	21.22	Yes	2,550.49
City of Salisbury ^{sw}	UDV	143,560	167	831	6,860,817	2,018,240	8,879,057	47.79	No	2,428.69
Corporation of the City of Tea Tree Gully	UDL	100,261	95	594	2,127,312	1,221,345	3,348,657	21.22	Yes	2,056.14
City of Victor Harbor	URS	15,465	386	395	343,241	297,738	640,979	22.19	No	753.77
City of West Torrens ^{sw}	UDM	60,842	37	290	1,290,930	1,072,313	2,363,243	21.22	Yes	3,697.63
Clare & Gilbert Valleys Council	RAL	9,424	1,893	1,833	864,316	429,626	1,293,942	91.71	No	234.38
Coorong District Council	RAL	5,429	8,866	1,890	2,359,908	723,502	3,083,410	434.69	No	382.81
Copper Coast Council	RAV	15,010	795	910	1,736,705	362,774	2,099,479	115.70	No	398.65

Council Name	Classification	Population ^a Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Corporation of the City of Campbelltown ^{sw}	UDM	52,192	24	255	1,107,397	1,027,913	2,135,310	21.22	Yes	4,031.03
Corporation of the City of Marion	UDL	93,448	56	474	1,982,756	1,062,273	3,045,029	21.22	Yes	2,241.08
Corporation of the City of Norwood Payneham & St Peters	UDM	37,056	15	160	786,404	392,726	1,179,130	21.22	Yes	2,454.54
Corporation of the City of Port Augusta	URS	13,862	1,282	411	2,767,032	306,385	3,073,417	199.61	No	745.46
Corporation of the City of Unley ^{sw}	UDM	39,208	14	165	831,905	550,400	1,382,305	21.22	Yes	3,335.76
Corporation of the City of Whyalla	URS	21,665	1,117	283	4,188,694	411,025	4,599,719	193.34	No	1,452.39
Corporation of the Town of Walkerville ^{sw}	UDS	8,000	4	35	169,742	235,374	405,116	21.22	Yes	6,724.97
District Council of Ceduna	RAM	3,442	5,490	1,715	1,985,541	484,397	2,469,938	576.86	No	282.45
District Council of Cleve	RAS	1,792	5,019	1,549	1,058,340	434,647	1,492,987	590.59	No	280.60
District Council of Coober Pedy	URS	1,834	78	437	825,597	52,827	878,424	450.16	No	120.89
District Council of Elliston	RAS	1,008	6,713	1,154	722,868	451,058	1,173,926	717.13	No	390.86
District Council of Franklin Harbour	RAS	1,304	2,793	787	1,013,478	240,643	1,254,121	777.21	No	305.77
District Council of Grant ^{sw}	RAL	8,584	1,903	1,567	1,466,428	558,905	2,025,333	170.83	No	356.67
District Council of Karoonda East Murray	RAS	1,107	4,419	1,299	1,192,770	374,223	1,566,993	1,077.48	No	288.09
District Council of Kimba	RAS	1,065	3,984	1,716	992,779	332,620	1,325,399	932.19	No	193.83
District Council of Lower Eyre Peninsula ^{sw}	RAL	5,780	4,776	1,344	492,294	1,464,231	1,956,525	85.17	No	1,089.46
District Council of Loxton Waikerie	RAV	11,743	7,990	2,305	3,550,224	804,031	4,354,255	302.33	No	348.82

Council Name	Classification	Population ^a Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
District Council of Mount Barker	URM	36,571	595	788	775,954	668,610	1,444,564	21.22	Yes	848.49
District Council of Mount Remarkable	RAM	2,909	3,509	2,068	1,636,869	405,879	2,042,748	562.69	No	196.27
District Council of Orroroo Carrieton	RAS	850	3,322	1,628	957,892	280,508	1,238,400	1,126.93	No	172.30
District Council of Peterborough	RAS	1,687	3,020	1,231	1,299,348	268,569	1,567,917	770.21	No	218.17
District Council of Robe	RAS	1,450	1,093	435	30,765	118,694	149,459	21.22	Yes	272.86
District Council of Streaky Bay	RAM	2,192	6,319	1,736	1,449,440	511,223	1,960,663	661.24	No	294.48
District Council of Tumby Bay	RAM	2,702	2,678	1,079	481,334	284,510	765,844	178.14	No	263.68
District Council of Yankalilla ^{sw}	RSG	5,572	754	544	191,887	479,024	670,911	34.44	No	880.56
Gerard Community Council Aboriginal Corporation*	RTX	225	0	0	48,745	22,040	70,785	216.64	No	0
Kangaroo Island Council	RAM	4,983	4,423	1,363	1,686,832	440,108	2,126,940	338.52	No	322.90
Kingston District Council	RAM	2,371	3,343	718	461,611	275,790	737,401	194.69	No	384.11
Light Regional Council ^{sw}	RAV	15,359	1,277	1,455	537,130	1,048,156	1,585,286	34.97	No	720.38
Maralinga Tjarutja*	RTX	64	0	0	99,062	59,187	158,249	1,547.84	No	0
Mid Murray Council	RAL	9,094	6,271	3,404	3,313,201	723,590	4,036,791	364.33	No	212.57
Municipal Council of Roxby Downs	URS	3,954	111	39	156,855	69,154	226,009	39.67	No	1,773.18
Naracoorte Lucindale Council ^{sw}	RAL	8,555	4,519	1,618	2,744,119	831,021	3,575,140	320.76	No	513.61
Nipapanha Community Aboriginal Corporation*	RTX	86	0	0	31,268	21,945	53,213	363.58	No	0
Northern Areas Council	RAM	4,619	2,987	2,203	1,399,797	442,991	1,842,788	303.05	No	201.09
Outback Communities Authority	RTM	2,948	0	0	1,578,475	0	1,578,475	535.44	No	0
Port Pirie Regional Council	RAV	17,634	1,963	1,367	4,076,353	516,994	4,593,347	231.16	No	378.20

Council Name	Classification	Population ^a Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Regional Council of Goyder	RAM	4,190	6,715	3,010	2,499,088	675,362	3,174,450	596.44	No	224.37
Renmark Paringa Council ^{sw}	RAL	9,907	903	479	2,505,570	1,210,066	3,715,636	252.91	No	2,526.23
Rural City of Murray Bridge	URS	22,495	1,828	976	3,475,074	538,600	4,013,674	154.48	No	551.84
Southern Mallee District Council	RAM	2,080	5,710	1,332	1,130,768	441,148	1,571,916	543.64	No	331.19
Tatiara District Council ^{sw}	RAL	6,816	6,522	1,922	2,989,946	944,809	3,934,755	438.67	No	491.58
The Barossa Council	UFS	25,021	894	979	910,575	527,505	1,438,080	36.39	No	538.82
The Corporation of the City of Adelaide ^{sw}	UCC	25,456	15	124	540,119	874,827	1,414,946	21.22	Yes	7,055.06
The Flinders Ranges Council	RAS	1,692	4,127	1,262	1,190,724	329,984	1,520,708	703.74	No	261.48
Town of Gawler	UFS	24,416	41	202	1,507,589	355,857	1,863,446	61.75	No	1,761.67
Wakefield Regional Council	RAL	6,838	3,522	2,686	1,924,743	582,815	2,507,558	281.48	No	216.98
Wattle Range Council	RAV	12,041	3,929	2,439	2,832,646	593,864	3,426,510	235.25	No	243.49
Wudinna District Council	RAS	1,300	5,394	1,686	1,213,079	436,352	1,649,431	933.14	No	258.81
Yalata Anangu Aboriginal Corporation*	RTX	255	0	64	175,449	47,653	223,102	688.04	No	744.58
Yorke Peninsula Council	RAV	11,324	6,011	3,899	1,338,569	894,887	2,233,456	118.21	No	229.52

Notes: a – population estimates provided by the Local Government Grants Commission in each state and the Northern Territory.

* – Indigenous local governing body

sw – special works included in local roads totals

Table 50 Distribution of 2020–21 actual entitlement to councils in Tasmania

Council Name	Classification	Population ^a Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Break O'day Council	RAL	6,288	3,521	551	1,284,561	1,667,985	2,952,546	204.29	No	3,027.20
Brighton Council	UFS	17,675	171	188	1,385,820	640,627	2,026,447	78.41	No	3,407.59
Burnie City Council	URS	19,550	610	348	1,241,114	1,268,766	2,509,880	63.48	No	3,644.83
Central Coast Council	URS	21,938	931	676	2,255,205	2,060,540	4,315,745	102.80	No	3,048.14
Central Highlands Council	RAM	2,130	7,976	739	986,156	1,538,707	2,524,863	462.98	No	2,082.15
Circular Head Council	RAL	8,078	4,891	766	1,234,791	2,106,046	3,340,837	152.86	No	2,749.41
Clarence City Council	UFM	57,807	377	479	1,229,022	1,753,527	2,982,549	21.26	Yes	3,660.81
Derwent Valley Council	RAV	10,424	4,103	333	1,448,048	916,487	2,364,535	138.91	No	2,752.21
Devonport City Council	URS	25,633	111	268	1,200,203	1,225,552	2,425,755	46.82	No	4,571.25
Dorset Council	RAL	6,634	3,223	682	1,509,608	1,962,690	3,472,298	227.56	No	2,879.53
Flinders Council	RAS	1,010	1,994	346	717,900	778,462	1,496,362	710.79	No	2,249.89
George Town Council	RAL	6,968	653	274	1,158,676	889,162	2,047,838	166.29	No	3,245.12
Glamorgan Spring Bay Council	RAM	4,602	2,587	379	226,529	1,062,219	1,288,748	49.22	No	2,802.69
Glenorchy City Council	UFM	47,969	121	319	1,019,858	1,496,256	2,516,114	21.26	Yes	4,690.46
Hobart City Council	UCC	54,649	78	305	1,161,880	1,676,541	2,838,421	21.26	Yes	5,505.88
Huon Valley Council	RAV	17,561	5,497	709	1,990,480	1,731,571	3,722,051	113.35	No	2,442.27
Kentish Council	RAL	6,315	1,155	471	1,510,969	1,250,457	2,761,426	239.27	No	2,654.90
King Island Council	RAS	1,610	1,094	442	868,875	1,089,045	1,957,920	539.67	No	2,463.90
Kingborough Council	UFM	38,310	719	546	814,500	1,587,550	2,402,050	21.26	Yes	2,907.60
Latrobe Council	RAV	11,638	600	288	939,891	813,565	1,753,456	80.76	No	2,825.86
Launceston City Council	URM	68,007	1,411	754	1,445,882	3,057,452	4,503,334	21.26	Yes	4,054.98
Meander Valley Council	RAV	19,844	3,320	823	2,048,601	2,272,590	4,321,191	103.24	No	2,760.68
Northern Midlands Council	RAV	13,437	5,126	960	1,153,743	2,496,288	3,650,031	85.86	No	2,600.30
Sorell Council	RAV	15,603	583	344	1,313,022	1,033,775	2,346,797	84.15	No	3,005.16

Council Name	Classification	Population^a Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Southern Midlands Council	RAL	6,290	2,611	812	1,857,976	1,725,632	3,583,608	295.39	No	2,125.16
Tasman Council	RAM	2,414	659	208	479,665	575,492	1,055,157	198.70	No	2,766.79
Waratah/Wynyard Council	RAV	13,828	3,526	539	1,783,222	1,498,866	3,282,088	128.96	No	2,780.83
West Coast Council	RAM	4,175	9,574	191	1,412,536	780,056	2,192,592	338.33	No	4,084.06
West Tamar Council	UFS	24,070	690	469	2,197,837	1,373,974	3,571,811	91.31	No	2,929.58

Notes: a – population estimates provided by the Local Government Grants Commission in each state and the Northern Territory.

* – Indigenous local governing body

Table 51 Distribution of 2020–21 actual entitlement to councils in the Northern Territory

Council Name	Classification	Population ^a Number	Council area in sq km	Road length in km	General purpose in dollars	Local road in dollars	Total in dollars	General purpose in dollars per capita	Minimum grant (Yes or No)	Local road in dollars per km
Alice Springs Town Council	URS	26,261	327	245	626,052	991,388	1,617,440	23.84	No	4,046.48
Barkly Regional Council*	RTL	7,333	322,693	557	1,733,779	487,222	2,221,001	236.44	No	874.73
Belyuen Community Government Council*	RTX	174	42	84	23,877	34,136	58,013	137.22	No	406.38
Central Desert Regional Council*	RTL	4,210	282,090	1,769	1,087,180	1,144,651	2,231,831	258.24	No	647.06
City of Darwin	UCC	82,480	142	551	1,807,821	1,997,409	3,805,230	21.92	Yes	3,625.06
City of Palmerston	URM	38,083	56	326	834,715	1,048,203	1,882,918	21.92	Yes	3,215.35
Coomalie Community Government Council	RTM	1,363	1,512	195	29,875	523,719	553,594	21.92	Yes	2,685.74
East Arnhem Regional Council*	RTL	10,293	33,302	973	3,393,179	1,304,661	4,697,840	329.66	No	1,340.86
Katherine Town Council	URS	10,571	7,421	175	536,763	640,329	1,177,092	50.78	No	3,659.02
Litchfield Council	UFS	25,436	3,072	732	557,513	2,706,452	3,263,965	21.92	Yes	3,697.34
Local Government Association of the Northern Territory Inc	N/A	0	0	2,019	0	1,621,890	1,621,890	0	No	803.31
MacDonnell Regional Council*	RTL	6,883	268,784	1,564	1,967,382	1,037,086	3,004,468	285.83	No	663.10
Roper Gulf Regional Council*	RTL	7,392	185,176	942	2,059,943	1,121,913	3,181,856	278.67	No	1,190.99
Tiwi Islands Regional Council*	RTM	2,728	7,501	845	391,250	1,009,541	1,400,791	143.42	No	1,194.72
Victoria Daly Regional Council*	RTL	3,140	153,475	341	457,789	737,360	1,195,149	145.79	No	2,162.35
Wagait Shire Council*	RTS	516	6	17	11,310	57,182	68,492	21.92	Yes	3,363.65
West Arnhem Regional Council*	RTL	6,847	49,698	1,232	1,281,006	1,252,038	2,533,044	187.09	No	1,016.26
West Daly Regional Council*	RTL	3,675	14,100	850	544,148	996,182	1,540,330	148.07	No	1,171.98

Notes: a – population estimates provided by the Local Government Grants Commission in each state and the Northern Territory.

* – Indigenous local governing body

Appendix E

Ranking of local governing bodies in 2020–21

In this appendix, the grant per capita is used as the basis for comparing relative need for the general purpose grant. For local road grant, the allocation of grant for each council is divided by their length of local roads to obtain a relative expenditure needs measure. In Tables 53 to 66 below, councils within a state are sorted on the value of the general purpose grant per capita and, separately, on the value of the local road grant per kilometre. For each council, its jurisdiction's table gives the ranking obtained for both grants. The Australian Classification of Local Government category for each council is also provided (see Appendix F). For each state and the Northern Territory, the positions of the average general purpose grant per capita and the average local road grant per kilometre are also shown at the top of the ranking of councils.

Table 52 Key to symbols used in tables in Appendices E and F

Symbol	Full symbol name
RAL	Rural Agricultural Large
RAM	Rural Agricultural Medium
RAS	Rural Agricultural Small
RAV	Rural Agricultural Very Large
RSG	Rural Significant Growth
RTL	Rural Remote Large
RTM	Rural Remote Medium
RTS	Rural Remote Small
RTX	Rural Remote Extra Small
UCC	Urban Capital City
UDL	Urban Developed Large
UDM	Urban Developed Medium
UDS	Urban Developed Small
UDV	Urban Developed Very Large
UFL	Urban Fringe Large
UFM	Urban Fringe Medium
UFS	Urban Fringe Small
UFV	Urban Fringe Very Large
URL	Urban Regional Large
URM	Urban Regional Medium
URS	Urban Regional Small
URV	Urban Regional Very Large

Table 53 2020–21 New South Wales councils ranked by funding per capita – general purpose grant

Rank	Council name	Classification	\$ per capita
State average			71.06
1	Central Darling Shire Council	RTM	2,411.70
2	Brewarrina Shire Council	RAS	1,987.62
3	Bourke Shire Council	RAM	1,735.31
4	Carrathool Shire Council	RAM	1,427.19
5	Balranald Shire Council	RAM	1,312.99
6	Bogan Shire Council	RAM	1,153.63
7	Lachlan Council	RAL	1,023.43
8	Cobar Shire Council	RTL	944.59
9	Bland Shire Council	RAL	834.33
10	Hay Shire Council	RAM	829.71
11	Walgett Shire Council	RAL	810.18
12	Murrumbidgee Council	RAM	789.08
13	Warren Shire Council	RAM	741.12
14	Lockhart Shire Council	RAM	727.83
15	Coonamble Shire Council	RAM	723.64
16	Silverton Village Committee Incorporated	RTX	709.60
17	Gilgandra Council	RAM	649.10
18	Wentworth Shire Council	RAL	628.08
19	Lord Howe Island Board	RTX	599.43
20	Coolamon Shire Council	RAM	597.53
21	Tibooburra Village Committee Incorporated	RTX	594.57
22	Narrandera Shire Council	RAL	582.58
23	Gwydir Shire Council	RAL	553.12
24	Warrumbungle Shire Council	RAL	532.88
25	Weddin Shire Council	RAM	516.97
26	Tenterfield Shire Council	RAL	512.70
27	Walcha Council	RAM	495.72
28	Narromine Shire Council	RAL	478.97
29	Murray River Council	RAV	467.64
30	Edward River Council	RAL	466.74
31	Berrigan Shire Council	RAL	408.70
32	Moree Plains Shire Council	RAV	394.89
33	Federation Council	RAV	393.13
34	Narrabri Shire Council	RAV	392.62
35	Temora Shire Council	RAL	388.18
36	Upper Lachlan Shire Council	RAL	373.01
37	Forbes Shire Council	RAL	372.17
38	Oberon Council	RAL	350.36
39	Cootamundra-Gundagai Regional Council	RAV	344.46
40	Snowy Monaro Regional Council	URS	340.36

Rank	Council name	Classification	\$ per capita
41	Kyogle Council	RAL	339.87
42	Glen Innes Severn Council	RAL	334.94
43	Liverpool Plains Shire Council	RAL	323.82
44	Greater Hume Shire Council	RAV	320.14
45	Snowy Valleys Council	RAV	314.57
46	Leeton Shire Council	RAV	307.95
47	Junee Shire Council	RAL	306.64
48	Parkes Shire Council	RAV	299.69
49	Hilltops Council	RAV	294.85
50	Uralla Shire Council	RAL	286.73
51	Cowra Shire Council	RAV	265.66
52	Council of the City of Broken Hill	URS	265.65
53	Blayney Shire Council	RAL	260.40
54	Gunnedah Shire Council	RAV	246.80
55	Inverell Shire Council	RAV	246.22
56	Bellingen Shire Council	RAV	231.01
57	Upper Hunter Shire Council	RAV	229.53
58	Cabonne Shire Council	RAV	223.54
59	Dungog Shire Council	RAL	190.14
60	Mid-Western Regional Council	URS	170.44
61	City of Lithgow Council	URS	169.53
62	Muswellbrook Shire Council	RAV	167.12
63	Richmond Valley Council	URS	156.23
64	Bega Valley Shire Council	URM	155.93
65	Dubbo Regional Council	URM	154.82
66	Clarence Valley Council	URM	153.14
67	Griffith City Council	URS	152.72
68	Kempsey Shire Council	URS	149.00
69	Nambucca Valley Council	RAV	146.89
70	Eurobodalla Shire Council	URM	144.65
71	Armidale Regional Council	URM	143.98
72	Mid-Coast Council	URL	137.87
73	Goulburn Mulwaree Council	URM	113.63
74	Wagga Wagga City Council	URM	111.25
75	Singleton Council	URS	108.93
76	Yass Valley Council	RAV	105.15
77	Bathurst Regional Council	URM	103.99
78	Lismore City Council	URM	103.16
78	Tamworth Regional Council	URM	103.16
80	Blue Mountains City Council	UFL	97.02
81	Cessnock City Council	URM	95.03
82	Albury City Council	URM	94.62

Rank	Council name	Classification	\$ per capita
83	Shoalhaven City Council	URL	87.01
84	Orange City Council	URM	84.92
85	Tweed Shire Council	URL	82.72
86	Port Macquarie Hastings Council	URL	77.44
87	Wollongong City Council	URV	76.45
88	Port Stephens Council	URL	76.13
89	Ballina Shire Council	URM	72.77
90	Coffs Harbour City Council	URL	70.52
91	Maitland City Council	URL	68.12
92	Lake Macquarie City Council	URV	67.46
93	Newcastle City Council	URV	65.61
94	Wingecarribee Shire Council	URM	64.87
95	Central Coast Council (NSW)	UFV	63.93
96	Queanbeyan-Palerang Regional Council	URM	61.68
97	Council of the City of Shellharbour	URL	60.34
98	Byron Shire Council	URM	59.94
99	Kiama Municipal Council	URS	52.88
100	Campbelltown City Council	UFV	48.79
101	Wollondilly Shire Council	UFM	46.53
102	Hawkesbury City Council	UFM	40.77
103	Penrith City Council	UFV	40.51
104	Blacktown City Council	UDV	36.33
105	Fairfield City Council	UDV	35.53
106	Liverpool City Council	UDV	29.03
107	City of Parramatta Council	UDV	28.88
108	Cumberland Council	UDV	26.87
109	The Council of Camden	UFL	24.30
110	Hunter's Hill Council	UDS	22.44
111	Mosman Municipal Council	UDM	22.40
112	Canterbury-Bankstown Council	UDV	22.06
113	Waverley Council	UDL	21.34
114	Bayside Council	UDV	21.32
114	Burwood Council	UDM	21.32
114	City of Canada Bay Council	UDL	21.32
114	Council of the City of Ryde	UDV	21.32
114	Council of the Municipality of Woollahra	UDM	21.32
114	Georges River Council	UDV	21.32
114	Hornsby Shire Council	UFV	21.32
114	Inner West Council	UDV	21.32
114	Ku-Ring-Gai Council	UDV	21.32

Rank	Council name	Classification	\$ per capita
114	Lane Cove Municipal Council	UDM	21.32
114	North Sydney Council	UDL	21.32
114	Northern Beaches Council	UDV	21.32
114	Randwick City Council	UDV	21.32
114	Strathfield Municipal Council	UDM	21.32
114	Sutherland Shire Council	UDV	21.32
114	The Council of the City of Sydney	UCC	21.32
114	The Hills Shire Council	UFV	21.32
114	Willoughby City Council	UDL	21.32

Table 54 2020–21 New South Wales councils ranked by funding per km – local roads grant

Rank	Council name	Classification	\$ per km
	State average		1,575.34
1	The Council of the City of Sydney	UCC	4,876.90
2	Waverley Council	UDL	4,060.22
3	Randwick City Council	UDV	3,699.08
4	Strathfield Municipal Council	UDM	3,666.86
5	Bayside Council	UDV	3,583.63
6	North Sydney Council	UDL	3,536.89
7	City of Canada Bay Council	UDL	3,513.04
8	Burwood Council	UDM	3,456.23
9	City of Parramatta Council	UDV	3,401.71
10	Inner West Council	UDV	3,347.79
11	Canterbury-Bankstown Council	UDV	3,252.19
12	Cumberland Council	UDV	3,234.08
13	Council of the Municipality of Woollahra	UDM	3,233.56
14	Lane Cove Municipal Council	UDM	3,221.86
15	Council of the City of Ryde	UDV	3,221.54
16	Georges River Council	UDV	3,194.05
17	Willoughby City Council	UDL	3,110.76
18	Fairfield City Council	UDV	2,927.14
19	Mosman Municipal Council	UDM	2,924.90
20	Coffs Harbour City Council	URL	2,912.99
21	Northern Beaches Council	UDV	2,893.71
22	Albury City Council	URM	2,789.68
23	Tweed Shire Council	URL	2,765.86
24	Liverpool City Council	UDV	2,701.13
25	Hunter's Hill Council	UDS	2,690.71
26	Blacktown City Council	UDV	2,669.22
27	Hornsby Shire Council	UFV	2,667.55
28	Ku-Ring-Gai Council	UDV	2,654.98
29	Sutherland Shire Council	UDV	2,646.28
30	Campbelltown City Council	UFV	2,637.30
31	Wollongong City Council	URV	2,631.45
32	Orange City Council	URM	2,595.76
33	Newcastle City Council	URV	2,552.38
34	Port Macquarie Hastings Council	URL	2,467.78
35	Penrith City Council	UFV	2,440.07
36	Council of the City of Broken Hill	URS	2,416.83
37	Council of the City of Shellharbour	URL	2,396.79
38	Kiama Municipal Council	URS	2,358.17
39	The Hills Shire Council	UFV	2,348.29

Rank	Council name	Classification	\$ per km
40	The Council of Camden	UFL	2,333.64
41	Ballina Shire Council	URM	2,316.04
42	Central Coast Council (NSW)	UFV	2,277.33
43	Shoalhaven City Council	URL	2,258.26
44	Byron Shire Council	URM	2,232.75
45	Lake Macquarie City Council	URV	2,208.57
46	Maitland City Council	URL	2,150.23
47	Hawkesbury City Council	UFM	1,967.19
48	Port Stephens Council	URL	1,966.67
49	Blue Mountains City Council	UFL	1,955.78
50	Wollondilly Shire Council	UFM	1,947.00
51	Cessnock City Council	URM	1,942.84
52	Nambucca Valley Council	RAV	1,899.22
53	Wingecarribee Shire Council	URM	1,884.75
54	Lismore City Council	URM	1,882.36
55	Queanbeyan-Palerang Regional Council	URM	1,851.51
56	Eurobodalla Shire Council	URM	1,839.17
57	Bellingen Shire Council	RAV	1,817.01
58	Bathurst Regional Council	URM	1,813.42
59	Bega Valley Shire Council	URM	1,762.96
60	Kempsey Shire Council	URS	1,757.85
61	Singleton Council	URS	1,746.03
62	Mid-Coast Council	URL	1,745.55
63	Richmond Valley Council	URS	1,678.31
64	Muswellbrook Shire Council	RAV	1,675.86
65	Clarence Valley Council	URM	1,670.44
66	Goulburn Mulwaree Council	URM	1,622.67
67	Wagga Wagga City Council	URM	1,622.21
68	Dungog Shire Council	RAL	1,605.15
69	Kyogle Council	RAL	1,578.10
70	Tamworth Regional Council	URM	1,512.18
71	City of Lithgow Council	URS	1,507.61
72	Snowy Valleys Council	RAV	1,424.18
73	Dubbo Regional Council	URM	1,421.41
74	Griffith City Council	URS	1,387.53
75	Armistead Regional Council	URM	1,371.53
76	Yass Valley Council	RAV	1,349.17
77	Mid-Western Regional Council	URS	1,336.13
78	Glen Innes Severn Council	RAL	1,330.09
79	Blayney Shire Council	RAL	1,311.32
80	Cootamundra-Gundagai Regional Council	RAV	1,302.65
81	Upper Hunter Shire Council	RAV	1,300.37

Rank	Council name	Classification	\$ per km
82	Cowra Shire Council	RAV	1,274.30
83	Cabonne Shire Council	RAV	1,265.57
84	Uralla Shire Council	RAL	1,256.81
85	Leeton Shire Council	RAV	1,256.32
86	Snowy Monaro Regional Council	URS	1,251.22
87	Inverell Shire Council	RAV	1,244.11
88	Gunnedah Shire Council	RAV	1,236.95
89	Murray River Council	RAV	1,232.64
90	Greater Hume Shire Council	RAV	1,213.83
91	Liverpool Plains Shire Council	RAL	1,212.78
92	Walcha Council	RAM	1,211.96
93	Tenterfield Shire Council	RAL	1,204.79
94	Hilltops Council	RAV	1,204.01
95	Junee Shire Council	RAL	1,187.64
96	Forbes Shire Council	RAL	1,172.74
97	Oberon Council	RAL	1,165.13
98	Lockhart Shire Council	RAM	1,164.88
99	Upper Lachlan Shire Council	RAL	1,162.03
100	Parkes Shire Council	RAV	1,158.31
101	Federation Council	RAV	1,156.78
102	Narrabri Shire Council	RAV	1,156.03
103	Moree Plains Shire Council	RAV	1,155.49
104	Berrigan Shire Council	RAL	1,152.00
105	Edward River Council	RAL	1,148.13
106	Warrumbungle Shire Council	RAL	1,141.11
107	Gilgandra Council	RAM	1,140.51
108	Walgett Shire Council	RAL	1,137.33
109	Warren Shire Council	RAM	1,136.45
110	Gwydir Shire Council	RAL	1,130.59
111	Narrandera Shire Council	RAL	1,127.77
112	Temora Shire Council	RAL	1,118.01
113	Coonamble Shire Council	RAM	1,115.50
114	Weddin Shire Council	RAM	1,113.85
115	Bogan Shire Council	RAM	1,111.55
116	Narromine Shire Council	RAL	1,110.86
117	Wentworth Shire Council	RAL	1,100.61
118	Hay Shire Council	RAM	1,094.68
119	Murrumbidgee Council	RAM	1,081.66
120	Coolamon Shire Council	RAM	1,080.55
121	Brewarrina Shire Council	RAS	1,078.84
122	Cobar Shire Council	RTL	1,071.83
123	Carrathool Shire Council	RAM	1,071.62
124	Lachlan Council	RAL	1,066.29

Rank	Council name	Classification	\$ per km
125	Bourke Shire Council	RAM	1,065.33
126	Bland Shire Council	RAL	1,064.93
127	Balranald Shire Council	RAM	1,049.99
128	Central Darling Shire Council	RTM	1,046.67
129	Lord Howe Island Board	RTX	0.00
129	Silverton Village Committee Incorporated	RTX	0.00
129	Tibooburra Village Committee Incorporated	RTX	0.00

Table 55 2020–21 Victorian councils ranked by funding per capita – general purpose grant

Rank	Council name	Classification	\$ per capita
	State average		71.19
1	West Wimmera Shire Council	RAM	980.48
2	Loddon Shire Council	RAL	741.23
3	Buloke Shire Council	RAL	688.19
4	Hindmarsh Shire Council	RAL	576.42
5	Yarriambiack Shire Council	RAL	548.94
6	Shire of Towong	RAL	542.48
7	Pyrenees Shire Council	RAL	492.90
8	Northern Grampians Shire Council	RAV	436.81
9	Gannawarra Shire Council	RAV	363.72
10	Ararat Rural City Council	RAV	332.37
11	Shire of Strathbogie	RAV	323.32
12	Corangamite Shire Council	RAV	298.59
13	Southern Grampians Shire Council	RAV	295.61
14	Shire of Moyne	RAV	284.71
15	Glenelg Shire Council	RAV	259.08
16	Moira Shire Council	URS	250.32
17	Mansfield Shire Council	RAL	247.12
18	Swan Hill Rural City Council	URS	238.50
19	East Gippsland Shire Council	URM	237.49
20	Central Goldfields Shire Council	RAV	224.55
21	Hepburn Shire Council	RAV	224.33
22	Murrindindi Shire Council	RAV	223.83
23	South Gippsland Shire Council	URS	220.93
24	Horsham Rural City Council	RAV	219.43
25	Campaspe Shire Council	URM	218.21
26	Alpine Shire	RAV	216.53
27	Wellington Shire Council	URM	215.29
28	Mildura Rural City Council	URM	207.87
29	Benalla Rural City Council	RAV	202.22
30	Colac Otway Shire	URS	202.02
31	Indigo Shire Council	RAV	198.36
32	Mount Alexander Shire Council	RAV	181.54
33	Wangaratta Rural City Council	URS	176.11
34	Golden Plains Shire Council	UFS	166.93
35	Greater Shepparton City Council	URM	151.53
36	Borough of Queenscliffe	UFS	149.84
37	Bass Coast Shire Council	UFM	141.35
38	Moorabool Shire Council	URM	137.11

Rank	Council name	Classification	\$ per capita
39	Mitchell Shire Council	URM	135.83
40	Latrobe City Council	URL	129.92
41	Baw Baw Shire Council	URM	128.23
42	Greater Bendigo City Council	URL	117.76
43	Macedon Ranges Shire Council	URM	116.15
44	Wodonga City Council	URM	112.18
45	Ballarat City Council	URL	103.74
46	Warrnambool City Council	URM	98.82
47	Melton City Council	UFV	92.15
48	Surf Coast Shire	UFM	91.79
49	Cardinia Shire Council	UFL	85.83
50	City of Greater Geelong	URV	74.56
51	Yarra Ranges Shire Council	UFV	70.92
52	City of Greater Dandenong	UDV	63.19
53	Wyndham City Council	UFV	62.52
54	Hume City Council	UFV	61.82
55	Brimbank City Council	UDV	60.56
56	City of Whittlesea	UFV	56.90
57	Casey City Council	UDV	53.49
58	Frankston City Council	UDV	52.72
59	City of Knox	UDV	40.13
60	Maroondah City Council	UDL	35.59
61	Nillumbik Shire Council	UFM	31.30
62	City of Maribyrnong	UDL	24.63
63	Mornington Peninsula Shire Council	UFV	22.00
64	Banyule City Council	UDV	21.36
64	Bayside City Council	UDL	21.36
64	City of Boroondara	UDV	21.36
64	City of Darebin	UDV	21.36
64	City of Glen Eira	UDV	21.36
64	City of Port Phillip	UDL	21.36
64	Hobsons Bay City Council	UDL	21.36
64	Kingston City Council	UDV	21.36
64	Manningham City Council	UDV	21.36
64	Melbourne City Council (City of Melbourne)	UCC	21.36
64	Monash City Council	UDV	21.36
64	Moonee Valley City Council	UDV	21.36
64	Moreland City Council	UDV	21.36
64	Stonnington City Council	UDL	21.36
64	Whitehorse City Council	UDV	21.36
64	Yarra City Council	UDL	21.36

Table 56 2020–21 Victorian councils ranked by funding per km – local roads grant

Rank	Council name	Classification	\$ per km
	State average		1,294.20
1	Melbourne City Council (City of Melbourne)	UCC	3,094.93
2	City of Greater Dandenong	UDV	2,352.38
3	City of Port Phillip	UDL	2,071.24
4	Warrnambool City Council	URM	2,053.33
5	Brimbank City Council	UDV	2,026.42
6	Hume City Council	UFV	2,018.04
7	City of Maribyrnong	UDL	2,008.20
8	Melton City Council	UFV	1,960.15
9	Yarra Ranges Shire Council	UFV	1,948.67
10	Yarra City Council	UDL	1,947.35
11	Moreland City Council	UDV	1,869.16
12	South Gippsland Shire Council	URS	1,860.41
13	City of Whittlesea	UFV	1,848.97
14	Moonee Valley City Council	UDV	1,841.82
15	Hobsons Bay City Council	UDL	1,837.95
16	Banyule City Council	UDV	1,811.29
17	City of Darebin	UDV	1,806.77
18	Kingston City Council	UDV	1,791.78
19	Monash City Council	UDV	1,752.74
20	Cardinia Shire Council	UFL	1,750.20
21	Ballarat City Council	URL	1,720.14
22	Maroondah City Council	UDL	1,715.10
23	Whitehorse City Council	UDV	1,701.84
24	Latrobe City Council	URL	1,693.72
25	City of Boroondara	UDV	1,692.01
26	Colac Otway Shire	URS	1,683.90
27	Frankston City Council	UDV	1,681.82
28	Wellington Shire Council	URM	1,673.99
29	East Gippsland Shire Council	URM	1,657.09
30	Wyndham City Council	UFV	1,652.66
31	City of Knox	UDV	1,626.84
32	Wodonga City Council	URM	1,613.56
33	City of Greater Geelong	URV	1,599.04
34	Casey City Council	UDV	1,594.10
35	Bass Coast Shire Council	UFM	1,585.37
36	Shire of Towong	RAL	1,576.83
37	Shire of Moyne	RAV	1,566.39
38	Corangamite Shire Council	RAV	1,546.70
39	Nillumbik Shire Council	UFM	1,544.80
40	Mornington Peninsula Shire Council	UFV	1,516.58
41	Surf Coast Shire	UFM	1,515.89
42	Bayside City Council	UDL	1,502.48
43	Macedon Ranges Shire Council	URM	1,471.94
44	Murrindindi Shire Council	RAV	1,455.27
45	Stonnington City Council	UDL	1,442.02
46	Baw Baw Shire Council	URM	1,440.33
47	Manningham City Council	UDV	1,428.08
48	Borough of Queenscliffe	UFS	1,420.14
49	City of Glen Eira	UDV	1,398.84
50	Glenelg Shire Council	RAV	1,375.63
51	Mitchell Shire Council	URM	1,352.76
52	Moorabool Shire Council	URM	1,340.10
53	Alpine Shire	RAV	1,320.43
54	Greater Shepparton City Council	URM	1,289.52
55	Mount Alexander Shire Council	RAV	1,285.72
56	Wangaratta Rural City Council	URS	1,274.26
57	Mansfield Shire Council	RAL	1,164.57
58	Greater Bendigo City Council	URL	1,159.61
59	Golden Plains Shire Council	UFS	1,150.35
60	Benalla Rural City Council	RAV	1,147.26
61	Moira Shire Council	URS	1,117.94
62	Indigo Shire Council	RAV	1,103.94
63	Pyrenees Shire Council	RAL	1,095.86
64	Hepburn Shire Council	RAV	1,078.62
65	Southern Grampians Shire Council	RAV	1,071.40
66	Campaspe Shire Council	URM	1,043.54
67	Shire of Strathbogie	RAV	1,038.74
68	Central Goldfields Shire Council	RAV	996.54
69	Ararat Rural City Council	RAV	981.58
70	Gannawarra Shire Council	RAV	936.13
71	Northern Grampians Shire Council	RAV	892.39
72	West Wimmera Shire Council	RAM	879.27
73	Mildura Rural City Council	URM	830.16
74	Loddon Shire Council	RAL	809.69
75	Horsham Rural City Council	RAV	767.32
76	Swan Hill Rural City Council	URS	679.28
77	Hindmarsh Shire Council	RAL	570.53
78	Yarriambiack Shire Council	RAL	449.04
79	Buloke Shire Council	RAL	0.00

Table 57 2020–21 Queensland councils ranked by funding per capita – general purpose grant

Rank	Council name	Classification	\$ per capita
State average			70.89
1	Bulloo Shire Council	RTX	19,288.46
2	Croydon Shire Council	RTX	12,908.73
3	Barcoo Shire Council	RTX	10,632.66
4	Diamantina Shire Council	RTX	8,709.31
5	Burke Shire Council	RTX	7,576.79
6	Etheridge Shire Council	RTS	6,030.64
7	McKinlay Shire Council	RTS	5,550.79
8	Boulia Shire Council	RTS	5,484.88
9	Quilpie Shire Council	RTS	4,920.73
10	Flinders Shire Council	RTM	4,152.35
11	Mapoon Aboriginal Shire Council	RTX	3,911.02
12	Winton Shire Council	RTM	3,585.70
13	Richmond Shire Council	RTS	3,512.25
14	Wujal Wujal Aboriginal Shire Council	RTX	2,784.73
15	Paroo Shire Council	RTM	2,742.52
16	Torres Strait Island Regional Council	RTL	2,237.09
17	Lockhart River Aboriginal Shire Council	RTS	2,236.52
18	Carpentaria Shire Council	RTM	2,192.59
19	Barcaldine Regional Council	RTM	1,993.00
20	Mornington Shire Council	RTM	1,963.28
21	Cook Shire Council	RTL	1,946.41
22	Parrpuraaw Aboriginal Shire Council	RTS	1,886.59
23	Longreach Regional Council	RTL	1,764.23
24	Kowanyama Aboriginal Shire Council	RTS	1,659.84
25	Blackall-Tambo Regional Council	RTM	1,652.93
26	Cloncurry Shire Council	RTL	1,564.20
27	Aurukun Shire Council	RTM	1,508.52
28	Hope Vale Aboriginal Shire Council	RTM	1,414.77
29	Napranum Aboriginal Shire Council	RTM	1,395.03
30	Northern Peninsula Area Regional Council	RTL	1,367.71
31	Murweh Shire Council	RTL	1,289.04
32	Maranoa Regional Council	RAV	1,062.86
33	Doomadgee Aboriginal Shire Council	RTM	1,047.20
34	Balonne Shire Council	RAM	969.74
35	Torres Shire Council	RTL	955.83
36	Woorabinda Aboriginal Shire Council	RTM	872.60
37	North Burnett Regional Council	RAV	856.30
38	Palm Island Aboriginal Shire Council	RTM	719.60
39	Cherbourg Aboriginal Shire Council	RTM	690.15

Rank	Council name	Classification	\$ per capita
40	Yarrabah Aboriginal Shire Council	RTM	533.69
41	Goondiwindi Regional Council	RAV	425.85
42	Banana Shire Council	RAV	341.19
43	Western Downs Regional Council	URM	340.18
44	Charters Towers Regional Council	RAV	339.45
45	Mount Isa City Council	RTL	292.51
46	Mareeba Shire Council	URS	287.19
47	Central Highlands Regional Council	URS	252.05
48	Tablelands Regional Council	URS	197.36
49	Isaac Regional Council	URS	159.44
50	Burdekin Shire Council	RAV	154.85
51	South Burnett Regional Council	URM	150.97
52	Hinchinbrook Shire Council	RAV	139.15
53	Whitsunday Regional Council	URM	121.55
54	Southern Downs Regional Council	URM	121.04
55	Douglas Shire Council	RAV	98.25
56	Cassowary Coast Regional Council	URS	95.24
57	Gladstone Regional Council	URM	92.21
58	Somerset Regional Council	UFS	81.23
59	Lockyer Valley Regional Council	URM	79.86
60	Rockhampton Regional Council	URL	79.20
61	Livingstone Shire Council	UFM	77.99
62	Gympie Regional Council	URM	69.55
63	Bundaberg Regional Council	URL	58.18
64	Fraser Coast Regional Council	URL	49.55
65	Toowoomba Regional Council	URV	46.46
66	Scenic Rim Regional Council	UFM	43.40
67	Mackay Regional Council	URL	27.88
68	Brisbane City Council	UCC	21.27
68	Cairns Regional Council	URV	21.27
68	Gold Coast City Council	URV	21.27
68	Ipswich City Council	URV	21.27
68	Logan City Council	URV	21.27
68	Moreton Bay Regional Council	URV	21.27
68	Noosa Shire Council	URM	21.27
68	Redland City Council	URV	21.27
68	Sunshine Coast Regional Council	URV	21.27
68	Townsville City Council	URV	21.27

Table 58 2020–21 Queensland councils ranked by funding per km – local roads grant

Rank	Council name	Classification	\$ per km
	State average		995.05
1	Brisbane City Council	UCC	2,995.97
2	Gold Coast City Council	URV	2,596.28
3	Logan City Council	URV	2,091.54
4	Redland City Council	URV	2,067.39
5	Ipswich City Council	URV	2,013.76
6	Moreton Bay Regional Council	URV	2,003.50
7	Cairns Regional Council	URV	1,982.67
8	Sunshine Coast Regional Council	URV	1,832.86
9	Townsville City Council	URV	1,812.20
10	Noosa Shire Council	URM	1,322.69
11	Palm Island Aboriginal Shire Council	RTM	1,303.88
12	Mackay Regional Council	URL	1,129.50
13	Fraser Coast Regional Council	URL	1,068.59
14	Rockhampton Regional Council	URL	1,051.75
15	Yarrabah Aboriginal Shire Council	RTM	1,020.19
16	Bundaberg Regional Council	URL	967.11
17	Lockyer Valley Regional Council	URM	940.19
18	Douglas Shire Council	RAV	930.32
19	Livingstone Shire Council	UFM	909.30
20	Toowoomba Regional Council	URV	903.12
21	Cassowary Coast Regional Council	URS	895.91
22	Gladstone Regional Council	URM	893.03
23	Scenic Rim Regional Council	UFM	885.02
24	Gympie Regional Council	URM	875.33
25	Whitsunday Regional Council	URM	842.50
26	Cherbourg Aboriginal Shire Council	RTM	830.15
27	Woorabinda Aboriginal Shire Council	RTM	826.59
28	Torres Strait Island Regional Council	RTL	825.94
29	Wujal Wujal Aboriginal Shire Council	RTX	814.72
30	Hinchinbrook Shire Council	RAV	793.84
31	Burdekin Shire Council	RAV	786.59
32	Somerset Regional Council	UFS	779.26
33	Tablelands Regional Council	URS	776.72
34	Doomadgee Aboriginal Shire Council	RTM	772.90
35	Torres Shire Council	RTL	767.39
36	Southern Downs Regional Council	URM	750.59
37	Aurukun Shire Council	RTM	749.30
38	South Burnett Regional Council	URM	744.00
39	Mareeba Shire Council	URS	733.34
40	Mount Isa City Council	RTL	725.30
41	Northern Peninsula Area Regional Council	RTL	720.57
42	Hope Vale Aboriginal Shire Council	RTM	717.83
43	Mornington Shire Council	RTM	710.42
44	Isaac Regional Council	URS	695.50
45	Central Highlands Regional Council	URS	693.51
46	Napranum Aboriginal Shire Council	RTM	693.39
47	Mapoon Aboriginal Shire Council	RTX	689.21
48	Western Downs Regional Council	URM	676.07
49	Lockhart River Aboriginal Shire Council	RTS	675.05
50	Goondiwindi Regional Council	RAV	672.88
51	Banana Shire Council	RAV	664.29
52	Charters Towers Regional Council	RAV	659.28
53	Kowanyama Aboriginal Shire Council	RTS	656.93
54	North Burnett Regional Council	RAV	653.16
55	Maranoa Regional Council	RAV	649.16
56	Cloncurry Shire Council	RTL	646.85
57	Pormpuraaw Aboriginal Shire Council	RTS	645.72
58	Balonne Shire Council	RAM	643.67
59	Cook Shire Council	RTL	642.37
60	Murweh Shire Council	RTL	642.26
61	Longreach Regional Council	RTL	639.18
62	Carpentaria Shire Council	RTM	638.46
63	Blackall–Tambo Regional Council	RTM	636.32
64	Barcaldine Regional Council	RTM	635.81
65	Flinders Shire Council	RTM	633.62
66	Paroo Shire Council	RTM	632.63
67	Richmond Shire Council	RTS	632.21
68	McKinlay Shire Council	RTS	630.86
69	Burke Shire Council	RTX	630.82
70	Winton Shire Council	RTM	630.45
71	Etheridge Shire Council	RTS	630.33
72	Quilpie Shire Council	RTS	629.47
73	Boulia Shire Council	RTS	628.87
74	Diamantina Shire Council	RTX	628.39
75	Croydon Shire Council	RTX	628.24
76	Bulloo Shire Council	RTX	627.17
77	Barcoo Shire Council	RTX	627.15

Table 59 2020–21 Western Australian councils ranked by funding per capita – general purpose grant

Rank	Council name	Classification	\$ per capita
State average			70.74
1	Shire of Sandstone	RTX	20,264.19
2	Shire of Murchison	RTX	18,081.01
3	Shire of Cue	RTX	10,267.90
4	Shire of Upper Gascoyne	RTX	10,061.91
5	Shire of Yalgoo	RTX	5,116.34
6	Shire of Nungarin	RAS	3,963.86
7	Shire of Trayning	RAS	3,452.99
8	Shire of Mount Magnet	RTS	3,282.84
9	Shire of Menzies	RTS	3,198.52
10	Shire of Koorda	RAS	3,172.24
11	Shire of Mount Marshall	RAS	3,031.58
12	Shire of Westonia	RAS	2,833.49
13	Shire of Wiluna	RTS	2,774.68
14	Shire of Meekatharra	RTM	2,441.35
15	Shire of Wyalkatchem	RAS	2,315.56
16	Shire of Mukinbudin	RAS	2,127.43
17	Shire of Perenjori	RAS	2,120.82
18	Shire of Kent	RAS	1,918.02
19	Shire of Tammin	RAS	1,892.37
20	Shire of Ngaanyatjaraku	RTM	1,838.99
21	Shire of Bruce Rock	RAS	1,818.67
22	Shire of Carnamah	RAS	1,761.49
23	Shire of Kulin	RAS	1,695.19
24	Shire of Morawa	RAS	1,659.01
25	Shire of Dumbleyung	RAS	1,632.97
26	Shire of Kondinin	RAS	1,630.51
27	Shire of Shark Bay	RTS	1,552.40
28	Shire of Wickiepin	RAS	1,535.80
29	Shire of Narembeen	RAS	1,532.80
30	Shire of Yilgarn	RAS	1,520.98
31	Shire of Dundas	RTS	1,505.69
32	Shire of Dowerin	RAS	1,400.94
33	Shire of Three Springs	RAS	1,399.67
34	Shire of Laverton	RTM	1,283.72
35	Shire of Quairading	RAS	1,280.32
36	Shire of Kellerberrin	RAS	1,232.24
37	Shire of Lake Grace	RAS	1,230.69
38	Shire of Woodanilling	RAS	1,214.54
39	Shire of Dalwallinu	RAS	1,210.64
40	Shire of Coorow	RAS	1,181.23
41	Shire of Corrigin	RAS	1,074.75
42	Shire of Broomehill-Tambellup	RAS	1,053.60
43	Shire of Wongan-Ballidu	RAS	1,038.54
44	Shire of Halls Creek	RTL	1,000.49
45	Shire of Pingelly	RAS	801.84
46	Shire of Cranbrook	RAS	780.98
47	Shire of Ravensthorpe	RAS	757.44
48	Shire of Mingenew	RAS	741.42
49	Shire of Brookton	RAS	727.85
50	Shire of Wandering	RAS	721.06
51	Shire of Carnarvon	RAL	710.82
52	Shire of West Arthur	RAS	695.58
53	Shire of Gnowangerup	RAS	676.37
54	Shire of Victoria Plains	RAS	665.23
55	Shire of Cuballing	RAS	662.50
56	Shire of Jerramungup	RAS	640.91
57	Shire of Cunderdin	RAS	619.02
58	Shire of Nannup	RAS	609.13
59	Shire of Derby West Kimberley	RTL	520.83
60	Shire of Wagin	RAS	514.41
61	Shire of Exmouth	RTM	500.24
62	Shire of Beverley	RAS	465.59
63	Shire of Boyup Brook	RAS	463.68
64	Shire of Merredin	RAM	456.13
65	Shire of Kojonup	RAS	447.85
66	Shire of Goomalling	RAS	436.36
67	Shire of Moora	RAM	391.63
68	Shire of Leonora	RTM	385.97
69	Shire of Katanning	RAM	380.31
70	Shire of Wyndham East Kimberley	RTL	378.67
71	Shire of Narrogin	RAL	338.02
72	Shire of Northampton	RAM	325.65
73	Shire of Manjimup	RAL	325.37
74	Shire of Chapman Valley	RAS	311.56
75	Shire of Bridgetown Greenbushes	RAM	248.79
76	Shire of York	RAM	236.65
77	Shire of Northam	RAV	232.07
78	Shire of Donnybrook Balingup	RAL	223.83
79	Shire of Dandaragan	RAM	221.37
80	Shire of Waroona	RAM	215.18
81	Shire of East Pilbara	RTL	213.89
82	Shire of Toodyay	RAM	212.99
83	Shire of Williams	RAS	206.69

Rank	Council name	Classification	\$ per capita
84	Shire of Ashburton	RTL	201.17
85	Shire of Esperance	RAV	181.28
86	Shire of Plantagenet	RAL	174.78
87	Shire of Gingin	RAL	167.27
88	Shire of Coolgardie	RTL	158.25
89	Shire of Chittering	RAL	145.75
90	Shire of Collie	RAL	137.00
91	Shire of Broome	RTL	110.34
92	City of Greater Geraldton	URM	99.27
93	Shire of Denmark	RAL	93.45
94	Shire of Harvey	URS	69.51
95	Shire of Dardanup	RAV	66.13
96	Shire of Capel	URS	65.88
97	City of Albany	URM	63.36
98	Shire of Irwin	RAM	58.61
99	Shire of Boddington	RAS	51.66
100	Shire of Murray	RAV	50.21
101	Town of Port Hedland	RTL	49.98
102	Shire of Serpentine Jarrahdale	UFS	48.82
103	City of Karratha	URS	41.27
104	City of Kalgoorlie-Boulder	URM	36.10
105	Shire of Mundaring	UFM	32.15
106	Shire of Augusta Margaret River	RSG	21.61
107	City of Bunbury	URM	21.42
108	City of Armadale	UFM	21.22
108	City of Bayswater	UDM	21.22
108	City of Belmont	UDM	21.22
108	City of Busselton	URM	21.22
108	City of Canning	UDL	21.22
108	City of Cockburn	UDL	21.22
108	City of Fremantle	UDM	21.22
108	City of Gosnells	UDV	21.22
108	City of Joondalup	UDV	21.22
108	City of Kalamunda	UFM	21.22
108	City of Kwinana	UFM	21.22
108	City of Mandurah	UFL	21.22
108	City of Melville	UDL	21.22
108	City of Nedlands	UDS	21.22
108	City of Perth	UCC	21.22
108	City of Rockingham	UFV	21.22
108	City of South Perth	UDM	21.22
108	City of Stirling	UDV	21.22

Rank	Council name	Classification	\$ per capita
108	City of Subiaco	UDS	21.22
108	City of Swan	UFV	21.22
108	City of Vincent	UDS	21.22
108	City of Wanneroo	UFV	21.22
108	Shire of Peppermint Grove	UDS	21.22
108	Town of Bassendean	UDS	21.22
108	Town of Cambridge	UDS	21.22
108	Town of Claremont	UDS	21.22
108	Town of Cottesloe	UDS	21.22
108	Town of East Fremantle	UDS	21.22
108	Town of Mosman Park	UDS	21.22
108	Town of Victoria Park	UDM	21.22

Table 60 2020–21 Western Australian councils ranked by funding per km – local roads grant

Rank	Council name	Classification	\$ per km	Rank	Council name	Classification	\$ per km
	State average		961.75	43	Shire of Capel	URS	1,652.79
1	City of Perth	UCC	4,483.29	44	Shire of Augusta Margaret River	RSG	1,642.32
2	City of Bunbury	URM	3,471.16	45	Shire of Mundaring	UFM	1,634.82
3	City of Vincent	UDS	2,628.77	46	Shire of Harvey	URS	1,586.22
4	City of Subiaco	UDS	2,597.47	47	Shire of Serpentine Jarrahdale	UFS	1,475.25
5	Shire of Dardanup	RAV	2,535.60	48	Shire of Toodyay	RAM	1,413.52
6	City of Belmont	UDM	2,535.18	49	City of Kalgoorlie-Boulder	URM	1,345.85
7	City of Armadale	UFM	2,424.95	50	Shire of Waroona	RAM	1,219.60
8	City of Fremantle	UDM	2,407.29	51	City of Albany	URM	1,208.94
9	City of Canning	UDL	2,403.40	52	Shire of Broomehill-Tambellup	RAS	1,187.39
10	Shire of Chittering	RAL	2,391.35	53	Shire of Northam	RAV	1,112.19
11	City of Bayswater	UDM	2,387.81	54	Shire of Manjimup	RAL	1,107.71
12	Shire of Peppermint Grove	UDS	2,354.89	55	Shire of Gingin	RAL	1,048.76
13	Town of Victoria Park	UDM	2,350.32	56	Shire of Nannup	RAS	1,031.92
14	Town of Claremont	UDS	2,347.47	57	Shire of Bridgetown Greenbushes	RAM	1,021.66
15	Town of Bassendean	UDS	2,330.82	58	City of Greater Geraldton	URM	1,015.99
16	Town of Cambridge	UDS	2,327.45	59	Shire of Ngaanyatjaraku	RTM	1,013.52
17	Town of Cottesloe	UDS	2,302.68	60	Shire of York	RAM	983.19
18	City of Joondalup	UDV	2,282.95	61	Shire of Boyup Brook	RAS	936.68
19	City of Gosnells	UDV	2,242.29	62	Shire of Carnarvon	RAL	896.19
20	City of South Perth	UDM	2,214.20	63	Shire of Derby West Kimberley	RTL	894.81
21	City of Nedlands	UDS	2,213.64	64	Shire of Shark Bay	RTS	852.09
22	City of Stirling	UDV	2,207.00	65	Shire of East Pilbara	RTL	845.98
23	City of Melville	UDL	2,199.92	66	Shire of Halls Creek	RTL	843.27
24	City of Wanneroo	UFV	2,116.53	67	Shire of Bruce Rock	RAS	830.71
25	Shire of Collie	RAL	2,103.44	68	Shire of Boddington	RAS	828.63
26	Town of East Fremantle	UDS	2,089.81	69	Shire of Moora	RAM	827.21
27	City of Cockburn	UDL	2,068.28	70	Shire of Dandaragan	RAM	820.94
28	Town of Mosman Park	UDS	2,036.86	71	Shire of Irwin	RAM	789.68
29	City of Rockingham	UFV	2,027.93	72	Shire of Narrogin	RAL	773.92
30	City of Mandurah	UFL	1,996.10	73	Shire of Katanning	RAM	760.99
31	City of Kalamunda	UFM	1,954.08	74	Shire of Mingenew	RAS	751.08
32	City of Kwinana	UFM	1,944.44	75	Shire of Esperance	RAV	730.37
33	City of Swan	UFV	1,881.59	76	Shire of Cue	RTX	717.05
34	Town of Port Hedland	RTL	1,865.00	77	Shire of Beverley	RAS	714.84
35	Shire of Exmouth	RTM	1,838.38	78	Shire of Plantagenet	RAL	707.63
36	Shire of Denmark	RAL	1,809.69	79	Shire of Northampton	RAM	703.23
37	City of Karratha	URS	1,787.54	80	Shire of Victoria Plains	RAS	701.18
38	Shire of Wyndham East Kimberley	RTL	1,764.56	81	Shire of Menzies	RTS	696.99
39	City of Busselton	URM	1,695.54	82	Shire of Wandering	RAS	692.97
40	Shire of Broome	RTL	1,690.51	83	Shire of Three Springs	RAS	692.83
41	Shire of Donnybrook Balingup	RAL	1,688.12				
42	Shire of Murray	RAV	1,683.00				

Rank	Council name	Classification	\$ per km
84	Shire of Cunderdin	RAS	691.09
85	Shire of Brookton	RAS	685.82
86	Shire of Pingelly	RAS	683.67
87	Shire of Merredin	RAM	683.31
88	Shire of Ashburton	RTL	682.70
89	Shire of Williams	RAS	681.29
90	Shire of Quairading	RAS	678.10
91	Shire of Corrigin	RAS	675.53
92	Shire of Coorow	RAS	673.49
93	Shire of Cranbrook	RAS	667.15
94	Shire of Wagin	RAS	662.11
95	Shire of Gnowangerup	RAS	661.31
96	Shire of Goomalling	RAS	661.04
97	Shire of Dumbleyung	RAS	657.97
98	Shire of Wyalkatchem	RAS	652.98
99	Shire of Carnamah	RAS	648.36
100	Shire of Dundas	RTS	648.22
101	Shire of Kulin	RAS	642.93
102	Shire of Kellerberrin	RAS	641.97
103	Shire of Wongan-Ballidu	RAS	639.99
104	Shire of Trayning	RAS	639.27
105	Shire of Kojonup	RAS	638.28
106	Shire of Perenjori	RAS	638.26
107	Shire of Chapman Valley	RAS	638.11
108	Shire of Ravensthorpe	RAS	636.70
109	Shire of Coolgardie	RTL	635.62
110	Shire of Nungarin	RAS	633.17
111	Shire of West Arthur	RAS	632.83
112	Shire of Cuballing	RAS	630.86
113	Shire of Dalwallinu	RAS	629.47
114	Shire of Jerramungup	RAS	628.84
115	Shire of Koorda	RAS	628.31
116	Shire of Wickepin	RAS	627.85
117	Shire of Woodanilling	RAS	626.30
118	Shire of Kondinin	RAS	624.44
119	Shire of Mukinbudin	RAS	623.20
120	Shire of Morawa	RAS	620.49
121	Shire of Tammin	RAS	619.11
122	Shire of Dowerin	RAS	616.13
123	Shire of Westonia	RAS	612.79
124	Shire of Narembeen	RAS	601.92
125	Shire of Lake Grace	RAS	597.36
126	Shire of Mount Magnet	RTS	590.29
127	Shire of Kent	RAS	582.86

Rank	Council name	Classification	\$ per km
128	Shire of Murchison	RTX	564.24
129	Shire of Leonora	RTM	551.97
130	Shire of Mount Marshall	RAS	549.46
131	Shire of Yilgarn	RAS	547.48
132	Shire of Yalgoo	RTX	546.71
133	Shire of Upper Gascoyne	RTX	536.38
134	Shire of Meekatharra	RTM	532.89
135	Shire of Sandstone	RTX	524.39
136	Shire of Wiluna	RTS	478.37
137	Shire of Laverton	RTM	281.19

Table 61 2020–21 South Australian councils ranked by funding per capita – general purpose grant

Rank	Council name	Classification	\$ per capita
	State average		70.73
1	Maralinga Tjarutja	RTX	1,547.84
2	District Council of Orroroo Carrieton	RAS	1,126.93
3	District Council of Karoonda East Murray	RAS	1,077.48
4	Wudinna District Council	RAS	933.14
5	District Council of Kimba	RAS	932.19
6	District Council of Franklin Harbour	RAS	777.21
7	District Council of Peterborough	RAS	770.21
8	District Council of Elliston	RAS	717.13
9	The Flinders Ranges Council	RAS	703.74
10	Yalata Anangu Aboriginal Corporation	RTX	688.04
11	District Council of Streaky Bay	RAM	661.24
12	Regional Council of Goyder	RAM	596.44
13	District Council of Cleve	RAS	590.59
14	District Council of Ceduna	RAM	576.86
15	District Council of Mount Remarkable	RAM	562.69
16	Southern Mallee District Council	RAM	543.64
17	Outback Communities Authority	RTM	535.44
18	Anangu Pitjantjatjara Inc	RTM	485.42
19	District Council of Coober Pedy	URS	450.16
20	Tatiara District Council	RAL	438.67
21	Coorong District Council	RAL	434.69
22	Mid Murray Council	RAL	364.33
23	Nipapanha Community Aboriginal Corporation	RTX	363.58
24	Kangaroo Island Council	RAM	338.52
25	Naracoorte Lucindale Council	RAL	320.76
26	Northern Areas Council	RAM	303.05
27	District Council of Loxton Waikerie	RAV	302.33
28	Wakefield Regional Council	RAL	281.48
29	Renmark Paringa Council	RAL	252.91
30	Wattle Range Council	RAV	235.25
31	Port Pirie Regional Council	RAV	231.16
32	Berri Barmera Council	RAV	219.32
33	Gerard Community Council Aboriginal Corporation	RTX	216.64
34	Corporation of the City of Port Augusta	URS	199.61
35	Kingston District Council	RAM	194.69
36	Corporation of the City of Whyalla	URS	193.34

Rank	Council name	Classification	\$ per capita
37	District Council of Tumby Bay	RAM	178.14
38	District Council of Grant	RAL	170.83
39	Rural City of Murray Bridge	URS	154.48
40	Adelaide Plains Council	RAL	131.09
41	Barunga West Council	RAM	119.72
42	Yorke Peninsula Council	RAV	118.21
43	Copper Coast Council	RAV	115.70
44	City of Mount Gambier	URS	109.64
45	City of Playford	UFL	105.94
46	City of Port Lincoln	URS	100.43
47	Clare & Gilbert Valleys Council	RAL	91.71
48	District Council of Lower Eyre Peninsula	RAL	85.17
49	Town of Gawler	UFS	61.75
50	City of Salisbury	UDV	47.79
51	Municipal Council of Roxby Downs	URS	39.67
52	The Barossa Council	UFS	36.39
53	Alexandrina Council	UFS	35.92
54	Light Regional Council	RAV	34.97
55	District Council of Yankalilla	RSG	34.44
56	City of Onkaparinga	UFV	32.55
57	City of Victor Harbor	URS	22.19
58	Adelaide Hills Council	UFM	21.22
58	City of Burnside	UDM	21.22
58	City of Charles Sturt	UDL	21.22
58	City of Holdfast Bay	UDM	21.22
58	City of Mitcham	UDM	21.22
58	City of Port Adelaide Enfield	UDV	21.22
58	City of Prospect	UDS	21.22
58	Corporation of the City of Tea Tree Gully	UDL	21.22
58	City of West Torrens	UDM	21.22
58	Corporation of the City of Campbelltown	UDM	21.22
58	Corporation of the City of Marion	UDL	21.22
58	Corporation of the City of Norwood Payneham & St Peters	UDM	21.22
58	Corporation of the City of Unley	UDM	21.22
58	Corporation of the Town of Walkerville	UDS	21.22
58	District Council of Mount Barker	URM	21.22
58	District Council of Robe	RAS	21.22
58	The Corporation of the City of Adelaide	UCC	21.22

Table 62 2020–21 South Australian councils ranked by funding per km – local roads grant

Rank	Council name	Classification	\$ per km
State average			562.90
1	The Corporation of the City of Adelaide	UCC	7,055.06
2	Corporation of the Town of Walkerville	UDS	6,724.97
3	Corporation of the City of Campbelltown	UDM	4,031.03
4	City of West Torrens	UDM	3,697.63
5	City of Mount Gambier	URS	3,605.59
6	Corporation of the City of Unley	UDM	3,335.76
7	City of Prospect	UDS	2,550.49
8	Renmark Paringa Council	RAL	2,526.23
9	City of Port Adelaide Enfield	UDV	2,488.60
10	Corporation of the City of Norwood Payneham & St Peters	UDM	2,454.54
11	City of Salisbury	UDV	2,428.69
12	City of Holdfast Bay	UDM	2,373.69
13	City of Charles Sturt	UDL	2,281.89
14	Corporation of the City of Marion	UDL	2,241.08
15	City of Burnside	UDM	2,205.09
16	Corporation of the City of Tea Tree Gully	UDL	2,056.14
17	City of Mitcham	UDM	2,048.82
18	Municipal Council of Roxby Downs	URS	1,773.18
19	Town of Gawler	UFS	1,761.67
20	City of Onkaparinga	UFV	1,750.27
21	City of Playford	UFL	1,713.67
22	City of Port Lincoln	URS	1,509.86
23	Corporation of the City of Whyalla	URS	1,452.39
24	District Council of Lower Eyre Peninsula	RAL	1,089.46
25	District Council of Yankalilla	RSG	880.56
26	Berri Barmera Council	RAV	858.11
27	District Council of Mount Barker	URM	848.49
28	City of Victor Harbor	URS	753.77
29	Adelaide Hills Council	UFM	748.22
30	Corporation of the City of Port Augusta	URS	745.46
31	Yalata Anangu Aboriginal Corporation	RTX	744.58
32	Light Regional Council	RAV	720.38
33	Rural City of Murray Bridge	URS	551.84
34	The Barossa Council	UFS	538.82
35	Naracoorte Lucindale Council	RAL	513.61
36	Tatiara District Council	RAL	491.58
37	Alexandrina Council	UFS	479.96
38	Copper Coast Council	RAV	398.65
39	District Council of Elliston	RAS	390.86
40	Kingston District Council	RAM	384.11
41	Coorong District Council	RAL	382.81
42	Port Pirie Regional Council	RAV	378.20
43	District Council of Grant	RAL	356.67
44	District Council of Loxton Waikerie	RAV	348.82
45	Southern Mallee District Council	RAM	331.19
46	Kangaroo Island Council	RAM	322.90
47	District Council of Franklin Harbour	RAS	305.77
48	Adelaide Plains Council	RAL	297.43
49	District Council of Streaky Bay	RAM	294.48
50	District Council of Karoonda East Murray	RAS	288.09
51	District Council of Ceduna	RAM	282.45
52	District Council of Cleve	RAS	280.60
53	District Council of Robe	RAS	272.86
54	District Council of Tumby Bay	RAM	263.68
55	The Flinders Ranges Council	RAS	261.48
56	Wudinna District Council	RAS	258.81
57	Wattle Range Council	RAV	243.49
58	Barunga West Council	RAM	236.35
59	Clare & Gilbert Valleys Council	RAL	234.38
60	Yorke Peninsula Council	RAV	229.52
61	Regional Council of Goyder	RAM	224.37
62	District Council of Peterborough	RAS	218.17
63	Wakefield Regional Council	RAL	216.98
64	Mid Murray Council	RAL	212.57
65	Northern Areas Council	RAM	201.09
66	District Council of Mount Remarkable	RAM	196.27
67	District Council of Kimba	RAS	193.83
68	District Council of Orroroo Carrieton	RAS	172.30
69	District Council of Coober Pedy	URS	120.89
70	Anangu Pitjantjatjara Inc	RTM	51.94
71	Gerard Community Council Aboriginal Corporation	RTX	0.00
71	Maralinga Tjarutja	RTX	0.00
71	Nipapanha Community Aboriginal Corporation	RTX	0.00
71	Outback Communities Authority	RTM	0.00

Table 63 2020–21 Tasmanian councils ranked by funding per capita – general purpose grant

Rank	Council name	Classification	\$ per capita
State average			70.87
1	Flinders Council	RAS	710.79
2	King Island Council	RAS	539.67
3	Central Highlands Council	RAM	462.98
4	West Coast Council	RAM	338.33
5	Southern Midlands Council	RAL	295.39
6	Kentish Council	RAL	239.27
7	Dorset Council	RAL	227.56
8	Break O'day Council	RAL	204.29
9	Tasman Council	RAM	198.70
10	George Town Council	RAL	166.29
11	Circular Head Council	RAL	152.86
12	Derwent Valley Council	RAV	138.91
13	Waratah/Wynyard Council	RAV	128.96
14	Huon Valley Council	RAV	113.35
15	Meander Valley Council	RAV	103.24

Rank	Council name	Classification	\$ per capita
16	Central Coast Council	URS	102.80
17	West Tamar Council	UFS	91.31
18	Northern Midlands Council	RAV	85.86
19	Sorell Council	RAV	84.15
20	Latrobe Council	RAV	80.76
21	Brighton Council	UFS	78.41
22	Burnie City Council	URS	63.48
23	Glamorgan Spring Bay Council	RAM	49.22
24	Devonport City Council	URS	46.82
25	Clarence City Council	UFM	21.26
25	Glenorchy City Council	UFM	21.26
25	Hobart City Council	UCC	21.26
25	Kingborough Council	UFM	21.26
25	Launceston City Council	URM	21.26

Table 64 2020–21 Tasmanian councils ranked by funding per km – local roads grant

Rank	Council name	Classification	\$ per km
State average			2,979.22
1	Hobart City Council	UCC	5,505.88
2	Glenorchy City Council	UFM	4,690.46
3	Devonport City Council	URS	4,571.25
4	West Coast Council	RAM	4,084.06
5	Launceston City Council	URM	4,054.98
6	Clarence City Council	UFM	3,660.81
7	Burnie City Council	URS	3,644.83
8	Brighton Council	UFS	3,407.59
9	George Town Council	RAL	3,245.12
10	Central Coast Council	URS	3,048.14
11	Break O'day Council	RAL	3,027.20
12	Sorell Council	RAV	3,005.16
13	West Tamar Council	UFS	2,929.58
14	Kingborough Council	UFM	2,907.60
15	Dorset Council	RAL	2,879.53

Rank	Council name	Classification	\$ per km
16	Latrobe Council	RAV	2,825.86
17	Glamorgan Spring Bay Council	RAM	2,802.69
18	Waratah/Wynyard Council	RAV	2,780.83
19	Tasman Council	RAM	2,766.79
20	Meander Valley Council	RAV	2,760.68
21	Derwent Valley Council	RAV	2,752.21
22	Circular Head Council	RAL	2,749.41
23	Kentish Council	RAL	2,654.90
24	Northern Midlands Council	RAV	2,600.30
25	King Island Council	RAS	2,463.90
26	Huon Valley Council	RAV	2,442.27
27	Flinders Council	RAS	2,249.89
28	Southern Midlands Council	RAL	2,125.16
29	Central Highlands Council	RAM	2,082.15

Table 65 2020–21 Northern Territory councils ranked by funding per capita – general purpose grant

Rank	Council name	Classification	\$ per capita
	State average		73.06
1	East Arnhem Regional Council	RTL	329.66
2	MacDonnell Regional Council	RTL	285.83
3	Roper Gulf Regional Council	RTL	278.67
4	Central Desert Regional Council	RTL	258.24
5	Barkly Regional Council	RTL	236.44
6	West Arnhem Regional Council	RTL	187.09
7	West Daly Regional Council	RTL	148.07
8	Victoria Daly Regional Council	RTL	145.79
9	Tiwi Islands Regional Council	RTM	143.42

Rank	Council name	Classification	\$ per capita
10	Belyuen Community Government Council	RTX	137.22
11	Katherine Town Council	URS	50.78
12	Alice Springs Town Council	URS	23.84
13	City of Darwin	UCC	21.92
13	City of Palmerston	URM	21.92
13	Coomalie Community Government Council	RTM	21.92
13	Litchfield Council	UFS	21.92
13	Wagait Shire Council	RTS	21.92
14	Local Government Association of the Northern Territory Inc	N/A	0.00

Table 66 2020–21 Northern Territory councils ranked by funding per km – local roads grant

Rank	Council name	Classification	\$ per km
	State average		1,394.60
1	Alice Springs Town Council	URS	4,046.48
2	Litchfield Council	UFS	3,697.34
3	Katherine Town Council	URS	3,659.02
4	City of Darwin	UCC	3,625.06
5	Wagait Shire Council	RTS	3,363.65
6	City of Palmerston	URM	3,215.35
7	Coomalie Community Government Council	RTM	2,685.74
8	Victoria Daly Regional Council	RTL	2,162.35
9	East Arnhem Regional Council	RTL	1,340.86

Rank	Council name	Classification	\$ per km
10	Tiwi Islands Regional Council	RTM	1,194.72
11	Roper Gulf Regional Council	RTL	1,190.99
12	West Daly Regional Council	RTL	1,171.98
13	West Arnhem Regional Council	RTL	1,016.26
14	Barkly Regional Council	RTL	874.73
15	Local Government Association of the Northern Territory Inc	N/A	803.31
16	MacDonnell Regional Council	RTL	663.10
17	Central Desert Regional Council	RTL	647.06
18	Belyuen Community Government Council	RTX	406.38



Appendix F

Australian Classification of Local Governments

The Australian Classification of Local Governments (ACLG) was first published in September 1994. The ACLG categorises local governing bodies across Australia using the population, the population density and the proportion of the population that is classified as urban, for each council.

The local governing bodies included in the classification system are those that receive funding under the Financial Assistance Grant program as defined under the Act. Therefore, bodies, declared, by the Australian Government Minister responsible for local government (the Federal Minister), on the advice of the state minister, to be local governing bodies for the purposes of the Act, are included in the ACLG.

The classification system generally involves three steps. Each step allocates a prefix formed from letters of the alphabet to develop a three-letter identifier for each class of local government. There are a total of 22 categories. For example, a medium-sized council in a rural, agricultural area would be classified as RAM – rural, agricultural, medium. If it were remote, however, it would be classified as RTM – rural, remote, medium. Table 67 below provides information on the structure of the classification system.

Notwithstanding the capacity of the ACLG system to group like councils, it should be noted that there remains considerable scope for divergence within these categories, and for this reason the figures in Appendix D should be taken as a starting point for enquiring into grant outcomes. This divergence can occur because of factors including isolation, population distribution, local economic performance, daily or seasonal population changes, the age profile of the population and geographic differences. The allocation of the general purpose grant between states on an equal per capita basis and the local road grant on a fixed shares basis can also cause divergence.

To ensure the ACLG is kept up-to-date, Local Government Grants Commissions advise of any changes to the actual location of councils, within the ACLG, in their state at the end of each financial year.

The Department of Infrastructure, Transport, Regional Development and Communications is planning to phase out the ACLG framework and to replace it with the Australian Statistical Geography Standard's (ASGS') remoteness classifications, produced by the Australian Bureau of Statistics. If you have any questions or would like to provide comments or feedback, please email local.government@infrastructure.gov.au.

Table 67 Structure of the classification system

Step 1	Step 2	Step 3	Identifiers	Category
URBAN (U)				
Population more than 20,000 OR if population less than 20,000 EITHER population density more than 30 persons per square kilometre OR 90 per cent or more of the local governing body population is urban.	CAPITAL CITY (CC)	Not applicable		UCC
	METROPOLITAN DEVELOPED (D) Part of an urban centre of more than 1,000,000 or population density more than 600 per square kilometre	SMALL (S)	up to 30,000	UDS
		MEDIUM (M)	30,001 to 70,000	UDM
		LARGE (L)	70,001 to 120,000	UDL
		VERY LARGE (V)	more than 120,000	UDV
	REGIONAL TOWNS/CITY (R) Part of an urban centre with population less than 1,000,000 and predominantly urban in nature	SMALL (S)	up to 30,000	URS
		MEDIUM (M)	30,001 to 70,000	URM
		LARGE (L)	70,001 to 120,000	URL
		VERY LARGE (V)	more than 120,000	URV
	FRINGE (F) A developing LGA on the margin of a developed or regional urban centre	SMALL (S)	up to 30,000	UFS
MEDIUM (M)		30,001 to 70,000	UFM	
LARGE (L)		70,001 to 120,000	UFL	
VERY LARGE (V)		more than 120,000	UFV	
RURAL (R)				
A local governing body with population less than 20,000 AND population density less than 30 persons per square kilometre AND less than 90 per cent of local governing body is urban.	SIGNIFICANT GROWTH (SG) Average annual population growth more than 3 per cent, population more than 5,000 and not remote	Not applicable		RSG
	AGRICULTURAL (A)	SMALL (S)	up to 2,000	RAS
		MEDIUM (M)	2,001 to 5,000	RAM
		LARGE (L)	5,001 to 10,000	RAL
		VERY LARGE (V)	10,001 to 20,000	RAV
	REMOTE (T)	EXTRA SMALL (X)	up to 400	RTX
		SMALL (S)	401 to 1,000	RTS
		MEDIUM (M)	1,001 to 3,000	RTM
		LARGE (L)	3,001 to 20,000	RTL

Table 68 Categories of local governments by state at July 2020

ACLG categories	NSW	Vic	Qld	WA	SA	Tas	NT*	Australia
Urban Capital City (UCC)	1	1	1	1	1	1	1	7
Urban Developed Small (UDS)	1	0	0	10	2	0	0	13
Urban Developed Medium (UDM)	5	0	0	5	7	0	0	17
Urban Developed Large (UDL)	3	7	0	3	3	0	0	16
Urban Developed Very Large (UDV)	14	15	0	3	2	0	0	34
Urban Regional Small (URS)	8	5	5	3	8	4	2	35
Urban Regional Medium (URM)	18	11	8	5	1	2	0	45
Urban Regional Large (URL)	8	3	4	0	0	0	0	15
Urban Regional Very Large (URV)	3	1	9	0	0	0	0	13
Urban Fringe Small (UFS)	0	1	1	1	3	1	1	8
Urban Fringe Medium (UFM)	2	3	2	4	1	2	0	14
Urban Fringe Large (UFL)	2	1	0	1	1	0	0	5
Urban Fringe Very Large (UFV)	5	6	0	3	1	0	0	15
Rural Significant Growth (RSG)	0	0	0	1	0	0	0	1
Rural Agricultural Small (RAS)	2	0	0	51	10	1	0	64
Rural Agricultural Medium (RAM)	13	1	1	10	10	4	0	39
Rural Agricultural Large (RAL)	22	7	0	9	11	6	0	55
Rural Agricultural Very Large (RAV)	19	17	8	4	7	7	1	63
Rural Remote Extra Small (RTX)	3	0	7	5	4	0	2	21
Rural Remote Small (RTS)	0	0	10	5	0	1	1	17
Rural Remote Medium (RTM)	1	0	13	5	2	0	2	23
Rural Remote Large (RTL)	1	0	8	8	0	0	7	24
Total	131	79	77	137	74	29	17	544

Notes: * NT total excludes Road Trust Account



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