

New South Wales  
Local Government Grants Commission

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# Annual Report 97/98





The Hon Ernie Page MP

**NSW LOCAL GOVERNMENT GRANTS COMMISSION**

**Annual Report 1997/98**

The Hon. Ernie Page MP  
Minister for Local Government

Dear Minister,

I present the Annual Report of the New South Wales Local Government Grants Commission covering the Commission's operation during the year ended 30 June, 1998 and including the Commission's recommendations for the distribution of financial assistance grants for 1998/99.

The reporting requirements of the Annual Reports (Departments) Act, 1985, are met by the inclusion of a report by the Commission in the Department of Local Government's Annual Report, 1997/98.

Yours faithfully

A handwritten signature in black ink, appearing to read 'B. Armitage', written in a cursive style.

Cr Barbara Armitage  
Chairperson



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# Foreword

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I am pleased to present this report at the conclusion of my first year as Chairperson of the Grants Commission.

During the past year I have been to twenty-three of the twenty-six councils visited by the Commission. While there are many similarities between councils, the visits have clearly demonstrated the vast differences that exist and the unique circumstances in which they operate.

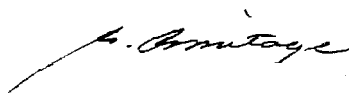
The contrasts in local government are immense. They range from large metropolitan councils with problems associated with rapid population growth and substantial infrastructure needs to small rural councils facing declining populations and greater service demands being made by communities faced with the closure of public and private service providers.

Having the opportunity to see and discuss the needs of local government with the practitioners has, and will continue to be, an immense privilege. The challenge for the Commission, of course, is to compare and assess those different needs in order to allocate the limited financial resources as fairly as possible.

In recognising that financial assistance grants should not be an impediment to voluntary structural reform, and to provide some stability in grant outcome, the Commission proposed an additional distribution principle for the general purpose component of the grants. The NSW Minister for Local Government, the Local Government and Shires Associations of NSW, and the Commonwealth Minister for Regional Development, Territories and Local Government all endorsed the proposed change. The new principle means that in the event of council amalgamations, the new council will receive grants for two years as if the councils had remained separate entities and that any subsequent change may be phased in at the discretion of the Commission.

Full details of the distribution principles for the general purpose and local roads components of the grants can be found elsewhere in this report.

I would like to acknowledge the efforts of my colleagues, Tim Rogers the Deputy Chairperson and Cr Pat Dixon and Emeritus Professor Maurice Daly the other Commission members, during this my first year as Chairperson. Their assistance has been very much appreciated. I would also like to thank the support staff, for their contributions during the last year.



Cr Barbara Armitage  
Chairperson

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# Function, Membership, Staff

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## FUNCTION

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The primary function of the Grants Commission is to make recommendations to the Minister for Local Government on the allocation to local governing bodies in New South Wales of general purpose grants under the provisions of the Commonwealth Local Government (Financial Assistance) Act, 1995.

The Commission may also report on any matter referred to it by the Minister.

## MEMBERSHIP

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The Commission consists of four members appointed for terms of up to five years and eligible for reappointment. The members consist of:

- three members nominated by the Minister, one of whom is the Chairperson;
- the Deputy Chairperson, who is an officer of the Department of Local Government.

Of the members, at least two must be persons who are or have been associated with local government in New South Wales.

The members of the Commission are part-time other than the Deputy Chairperson who is a full-time officer of the Department of Local Government.

The membership to 30 June 1998 was:

- Councillor Barbara Armitage, Chairperson
- Tim Rogers, Director/Deputy Chairperson
- Councillor Patricia Dixon, Member
- Emeritus Professor Maurice Daly, Member

(Member profiles are included in Appendix 1)

The part-time members of the Commission are appointed for the following periods:

- Cr Barbara Armitage - to 30 June, 2002
- Cr Patricia Dixon - to 30 June, 2002
- Emeritus Prof. Maurice Daly - to 30 June, 2002

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# Function, Membership, Staff

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## STAFF

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The Commission's staff consists of full-time officers of the Department of Local Government:

- Bruce Wright, Executive Officer
- Cary Mather, Project Officer

The Commission acknowledges the substantial contribution of the staff to the smooth operation of the Commission and the continuing review of the methodology for the determination of grants.

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# Summary of Activities 1997-98

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## INTRODUCTION OF A NEW PRINCIPLE

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In recognising that financial assistance grants should not be an impediment to voluntary structural reform the Grants Commission proposed an additional distribution principle (number 8) for the general purpose component of the grants.

The NSW Minister for Local Government, the Hon Ernie Page MP and the Local Government and Shires Associations of NSW endorsed the proposed change. The Commonwealth Minister for Regional Development, Territories and Local Government, the Hon Alex Somlyay MP, approved of the change.

The principle is as follows:

- in the event of council amalgamations, the new council will receive grants for two years as if the councils had remained separate entities and any subsequent change may be phased in at the discretion of the Commission.

Councils were advised of the change. Details of the distributions principles for the general purpose and local roads components can be found in appendices.

## SILVERTON AND TIBOOBURRA VILLAGE COMMITTEES

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The Commonwealth approved the Village Committees of Silverton and Tibooburra being declared as "local governing bodies" for the purposes of receiving financial assistance grant funding. The decision only affects the general purpose component of the grants and will have a negligible impact on funding to other local governing bodies. This change takes affect for the 1998/99 grants.

## ANNUAL CONFERENCE

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The South Australian Grants Commission hosted the 1997 Annual Conference of State Grants Commissions. The Conference was held in Adelaide, from 17 - 19 September. Those attending included representatives from Grants Commissions; officers of the Commonwealth's National Office of Local Government; and local government representatives. The Conference theme was "A Decade of Change" and provided a retrospective on the evolvement of the grant process. Other items discussed at the Conference included fiscal equalisation, local government reform, benchmarking, and methodological issues.

## EXECUTIVE OFFICERS' MEETINGS

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In May 1998 the National Office of Local Government sponsored a meeting of the Executive Officers from each State. The meeting discussed methodological, reporting, and data capture issues facing the Commissions.

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# Summary of Activities 1997/98

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## ROAD AND BRIDGE LENGTH AUDITS

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The Commission continued its program of auditing councils' road and bridge data during 1997/98. The program began in 1992/93 with eight councils being audited. Eleven councils were audited in 1993/94; eight councils during 1994/95; nine in 1995/96, seven in 1996/97, and seven in 1997/98.

A summary of the auditor's report is included in Appendix 9.

## VISITS TO COUNCILS

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Twenty-six councils were visited during 1997/98. This compares with thirty-six the previous year. The Commission aims to visit all councils over a four year cycle. Details of councils visited during the year are shown in Appendix 2.

These visits give councils an opportunity to meet with the Commission and present their particular problems. The Commission's aim has been to demystify the grant determination process as much as possible. Visits are open to the public and act as public hearings in relation to the Commonwealth Act.

The good working relationship that exists between the Commission and the Local Government Association and the Shires Association is an important aspect of the consultative approach taken by the Commission.

## DATA COLLECTION RETURNS

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Councils were required to complete annual data returns for use by the Commission in its calculations. The data returns were e-mailed to councils via DLGnet. Completed returns were then e-mailed back for processing. See Appendix 10 for details of councils that lodged data returns by the due date.

Response times for the Commission's Financial and General Return and the Roads and Bridges Return were significantly better than the previous year. Again a concern was the poor response time for the Special Schedule 1 financial data. In past years the Schedule 1 data return was part of the Commission's data collections. From the 1995/96 financial year, data was collected as part of the broader Departmental financial collections. The aim was to reduce councils' reporting requirements. However, by the end of April some 6 councils had still not lodged their financial data. Therefore, where councils had failed to lodge the information by that time, the Commission was forced to use their 1995/96 data.

It is proposed that data capture for the 1999/2000 grants will be staggered over three months (September, October, and November).

Councils are again reminded that accurate and timely statistical and financial information is an essential element to the grant calculations.

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# Summary of Activities 1997/98

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## SUBMISSIONS

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Councils were also invited to make submissions to the Commission highlighting the particular problems arising from their inherent disabilities. The Commission provided detailed guidelines on the preparation of submissions to councils, with a summary of the calculation of expenditure disability factors. The guidelines and summaries were intended to make the information provided by councils more directly related to the methodology used by the Commission, especially in the determination of disability factors.

The Commission appreciates the efforts made by those councils that provided information in the format suggested.

## PAYMENTS 1997/98

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During 1997/98 the grants continued to be paid in quarterly instalments.

The total payments to local governing bodies during 1997/98 are summarised below:

18 August 1997	\$97,561,550
19 November 1997	\$97,561,550
17 February 1998	\$97,561,550
18 May 1998	\$97,561,550
<b>Total</b>	<b>*\$390,246,200</b>

*\*The estimates of the consumer price index and the states' shares of population on which the 1996/97 payments were based was greater than the actual change in the four quarters to March 1997. Therefore, an adjustment was made to the instalments of the 1997/98 grant. The total decrease was \$2,489,050. Details of the adjustments to individual authorities were reported in last year's annual report.*

In 1997/98 the CPI/population estimates were overstated. Accordingly, adjustments are made to each instalment of the 1998/99 grant payments. The total reduction was \$3,390,688. These adjustments have been made to councils proportionally.

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# Highlights for 1998/99 Grants

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The total funds for New South Wales, compared to 1997/98:

Component	1997/98 CPI Adjusted Entitlement	1998/99 Estimated Entitlement	% Change
General Purpose	282,122,340	290,359,448	2.92%
Local Roads	107,222,222	110,417,444	2.98%
<b>Total</b>	<b>389,344,562</b>	<b>400,776,892</b>	<b>2.94%</b>

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## GENERAL PURPOSE COMPONENT

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The method used to determine the general purpose component of the grant has generally not been changed since last year.

Movements in the grants year to year are caused by:

### Population Changes

The most recently available ABS estimated resident population data to 30 June, 1997, preliminary (Population New South Wales: Cat. 3234.1) was used in the calculations. These were the first estimated resident population figures to be based on the 1996 Census. The previous year's figures had been based on ABS's intercensal estimates following the 1991 Census. The re-calibration to the 1996 Census resulted in some significant population variations for some councils.

The State's population increased by 1.4% compared to the data used in the 1997/98 grant calculations. Individual council variations ranged from increases of 99.6% for Sydney, and 19.5% for Camden to reductions of 10.7% for Guyra, and 10.4% for Weddin.

Population changes directly affects the calculation of disability expenditure allowances for fourteen functions.

### Changes in Standard Costs and Disability Measures

#### *Standard Costs*

Special Schedule 1 data from all councils is used to calculate the state average standard costs. What individual councils spend has little impact on their grant.

However, annual variations in the standard costs will affect grant outcomes. Changes in standard costs reflect changes in expenditure patterns across local government generally. When the relativities between the standard costs change the relativities between each council's total of expenditure allowances also changes.

#### *Community Profile Data*

The ABS has recently released Census '96 community profile data for each LGA based on place of usual residence. This information forms the basis of assessment for many of the measures of relative disability used in the Commission's calculations. These include demographics for, indigenous population, NESBs, and occupation. The five-yearly interval for the release of such data results in some significant variations for some councils.

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# Highlights for 1998/99 Grants

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## *Population Distribution*

The assessment of population distribution disability measures is based on ABS urban centre population data. As with the community profile data, ABS urban centre population data is released following each census. This results in some significant variations for some councils.

## *Annual Fluctuations*

For some functions the measures used to determine disability factors can be sensitive to annual fluctuations. For example, measures for building activity used in the building control and town planning functions. While these fluctuations occur and impact upon the grant outcome, continued use of these measures seems appropriate in addressing disabilities that occur in LGAs on a year to year basis.

## *Review of Weightings*

A number of the weightings used in the calculation of disability factors have been reviewed. The most significant of these has been a change in the weighting that applies to the scale measure for the general administration function from 100% to 75%.

## **Isolation Allowance Review**

In addition to the calculation of allowances for expenditure functions, the Commission also calculates an allowance for additional costs associated with isolation for councils located outside the Sydney Statistical Division. The isolation allowance is calculated using a regression analysis model. The model previously took into account population, isolation costs reported by councils, and each council's distance from Sydney and the nearest other capital city.

A review of the model found that an improved correlation was achieved by taking into account councils' distances from Sydney and the nearest major urban centre (i.e. urban centres with a population greater than 20,000).

## **Local Road and Bridge Length Variations**

Road and bridge length data is collected from all councils annually. Variations in this data affects the distribution of both the general purpose and the local roads components of the grants.

State-wide the local road length reported by councils has increased by 71 km, compared to last year. Bridge lengths fell by 1,369 m. Variations for individual council's road lengths range from an increase of 280 km to a reduction of 158 km.

## **Changes in Property Values**

Property values form the basis of the Commission's assessment of revenue allowances. Changes in relativities between councils' per-property-values and those of the state average affect grant outcome.

Councils showing the greatest decreases in their revenue allowances generally represent those LGAs where property values have remained stable or are rising, compared to the state average. Councils in the middle and fringe metropolitan areas, and some coastal areas, are most affected.

Councils in areas of drought and declining economic activity (reflected in falling property values) have generally shown increases in their revenue allowances.

## **Silverton and Tibooburra Village Committees**

The Commonwealth has approved of the village committees of Silverton and Tibooburra being declared "local governing bodies" for the purposes of receiving financial assistance grants.

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# Highlights for 1998/99 Grants

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## GENERAL PURPOSE COMPONENT HIGHLIGHTS

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*Note: Comparisons are based on the 1997/98 CPI/population adjusted entitlement and category references are based on the Australian Classification of Local Government.*

New South Wales' general purpose estimated entitlement 1998/99 is \$290,359,448.

This State's share in the general purpose component is 33.85%

The increase in the general purpose grant to NSW is 2.92%.

One hundred and forty (140) of a total one hundred and eighty (180) local authorities (includes Lord Howe Island, Silverton, and Tibooburra) received increased grants.

Eleven councils (five metropolitan and six rural) received maximum reductions of 3%.

Sydney City received the largest increase of 103% followed by Camden with 25%. Sydney City is on the per capita minimum grant. The increase directly reflects Sydney's doubling of resident population compared to last year. In recommending Camden's 25% increase the Commission took into account the ABS's significant understating of the areas resident population growth during the intercensal period.

While individual council's variations in the general purpose component of the grant ranged from -3% to +103%, the variations across most ACLG groups were generally close to the State's 2.9% increase.

### **Metropolitan (councils within the Sydney Statistical Division)**

Sydney City received the largest general purpose grant increase (103%), reflecting the City's significant increase in resident population.

The increase in grants for urban developed small category was 2.6%. With all the councils in this group being on the per capita minimum the stable nature of the grant reflects relatively static population numbers.

As a group, urban developed medium councils received an increase of 2.8% compared to the State's 2.9% increase. Most of the above average increases were to those councils on the minimum grant. Auburn's 10% increase is the largest for the group.

Urban developed large councils receive changes in grants ranging from -3% for Marrickville and Rockdale to +10% for Holroyd and South Sydney.

An average increase of 3.2% for councils in the urban developed very large classification. Canterbury has the largest reduction of -0.8% followed by Bankstown with -0.6%. Parramatta has the largest increase of 8.7%, followed by Randwick with 5.7%.

Five of the eleven urban fringe councils receive increases at or above the State average. For reasons discussed previously, Camden received a 25% increase.

### **Non-metropolitan (councils outside the Sydney Statistical Division)**

The average increase for non-metropolitan councils was 2.9%, the same as the State's increase.

Urban regional councils in the small, medium, large, and very large sub-groups generally averaged increases in line with the State average. Those with below average increases or reductions tended to typify areas with stable or improving property values or councils with reduced road or bridge lengths, compared to previous years.

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# Highlights for 1998/99 Grants

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Similarly, councils classified rural generally received average increases. Councils receiving the highest increases tended to be those in areas most affected by drought or reporting increases in road and bridge length. Those located furthest from Sydney or other major centres also received above average increases.

A summary of the changes to the general purpose grants to local governing bodies is shown in the table below:

Changes in General Purpose Grants		
Range	No. of Councils	% of Councils
-5% to -2.5%	11	6.2%
-2.5% to 0%	27	15.2%
0% to 2.5%	48	27.0%
2.5% to 5%	50	28.1%
5% to 7.5%	25	14.0%
7.5% to 10%	15	8.4%
>10%	2	1.1%
	*178	100.0%

\* Excludes Silverton and Tibooburra Village Committees

## Per Capita Minimum

Twenty-two councils (the same as last year), all located in the Sydney metropolitan area, will receive the minimum entitlements under the Commonwealth legislation. The councils on the per capita minimum of \$13.88 are : Baulkham Hills, Burwood, Concord, Drummoyne, Hornsby, Hunter's Hill, Hurstville, Kogarah, Ku-Ring-Gai, Lane Cove, Manly, Mosman, North Sydney, Pittwater, Randwick, Ryde, Strathfield, Sutherland, Sydney, Warringah, Willoughby, and Woollahra.

Councils on the per capita minimum received changes of between -1% (Baulkham Hills) and 103% (Sydney), which reflects resident population changes.

## LOCAL ROADS COMPONENT

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The local roads component was calculated according to principles agreed to with local government and consistent with the national principles.

The principles for distribution remain unchanged from last year.

Variation in road and bridge length data has affected the distribution of the grants. This has been significant for some councils.

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# Highlights for 1998/99 Grants

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## LOCAL ROADS COMPONENT HIGHLIGHTS

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*Note: Comparisons are based on the 1997/98 CPI/population adjusted entitlement.*

New South Wales allocation for 1998/99 is \$110,417,444, an increase of 3% on last year's allocation.

New South Wales' share of the national allocation is 29%.

The method of distribution has not changed from 1997/98.

The Commission continued its program of road and bridge length audits during 1997/98. Seven councils were audited, the same number as the previous year. Audits are likely to continue in 1998/99.

A summary of the changes to the local roads component grants to local governing bodies is shown below:

Changes in Local Roads Grants		
Range	No. of Councils	% of Councils
>-10%	1	0.5%
-10% to -7.5%	2	1.1%
-7.5% to -5%	3	1.7%
-5% to -2.5%	2	1.1%
-2.5% to 0%	12	6.8%
0% to 2.5%	35	19.8%
2.5% to 5%	102	57.6%
5% to 7.5%	10	5.7%
7.5% to 10%	6	3.4%
>10%	4	2.3%
	*177	100.0%

\* Excludes Lord Howe Island Board and the Silverton and Tibooburra Village Committees

Variations in the local roads component grant are the result of changes in councils' population shares and reported road or bridge length.

Road length data used in 1998/99 was 71 km more than the previous year. Bridge length is down 1,369 m. There have been some significant variations in road and bridge length figures for a small number of councils.

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# Highlights for 1998/99 Grants

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## TOTAL GRANTS

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Local government financial assistance grants to New South Wales for 1998/99 total \$400,776,892, an increase on the 1997/98 CPI/population adjusted entitlement of 2.94%.

A summary of the changes to the total grants to local governing bodies is shown below:

Changes in Total Grants		
Range	No. of Councils	% of Councils
-7.5% to -5%	1	0.6%
-5% to -2.5%	5	2.8%
-2.5% to 0%	17	9.6%
0% to 2.5%	61	34.2%
2.5% to 5%	65	36.5%
5% to 7.5%	18	10.1%
7.5% to 10%	6	3.4%
>10%	5	2.8%
	*178	100.0%

\* Excludes Silverton and Tibooburra Village Committees

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# Financial Assistance Grants - Questions & Answers

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## WHERE DO THE GRANT FUNDS COME FROM?

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The grants are paid to councils under the provisions of the Commonwealth Local Government (Financial Assistance) Act 1995. This legislation provides for the determination of the total amount of the grants, the interstate distribution of the funds and the conditions for payment of the money to the states for passing on to local governing bodies. Payments are made to each of the States, the Australian Capital Territory and the Northern Territory.

## WHAT IS THE PURPOSE OF THE LOCAL GOVERNMENT GRANTS COMMISSION?

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The Commission makes recommendations to the NSW Minister for Local Government on the distribution of Financial Assistance Grants to Local Government. If accepted by the Minister, the recommendations are referred to the Commonwealth for approval.

## WHO IS ENTITLED TO RECEIVE THE FUNDS?

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Financial assistance grants are provided to local governing bodies (councils), defined in Section 4(2) of the Commonwealth Act as:

*“(a) a local governing body established by or under a law of a State, other than a body whose sole or principal function is to provide a particular service, such as the supply of electricity or water; or*

*(b) a body declared by the Minister, on the advice of the relevant State Minister, by notice published in the Gazette, to be a local governing body for the purposes of this Act.”*

In NSW there are 177 councils, as well as the Lord Howe Island Board, and the Village Committees of Silverton and Tibooburra.

## HOW MUCH MONEY IS INVOLVED AND HOW IS IT DISTRIBUTED?

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The national estimated entitlement for 1998/99 is just over \$1.238 billion. This is made up of a *general purpose component* (\$857.7 million) and a *local roads component* (\$380.6 million).

The *general purpose component* is distributed on the basis of each State's (including the ACT and the NT) share of the national population. NSW receives \$290.4 million, or about 34% (NSW has 34% of Australia's population).

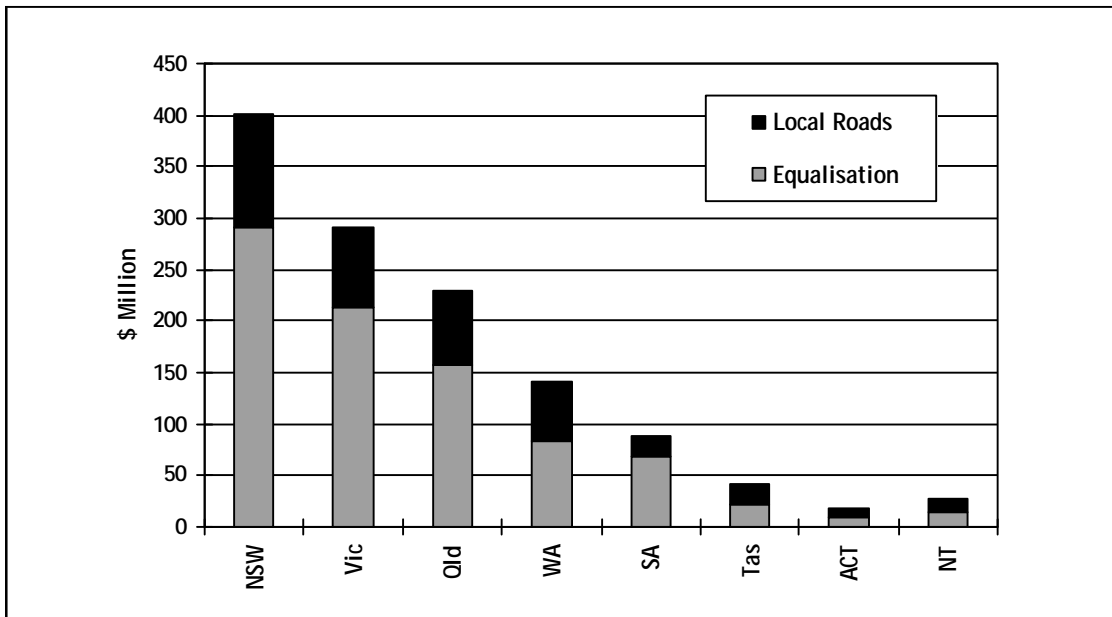
The *local roads component* is distributed on the basis of a historical formula - for NSW it amounts to \$110.4 million (or 29% of the national funds).

# Financial Assistance Grants - Questions & Answers

National Distribution and Shares of Financial Assistance Grants 1998/99

State/ Territory	General Purpose	Share	Local Roads Component	Share	Total	Share
NSW	290,359,448	33.85%	110,417,444	29.01%	400,776,892	32.37%
Vic	213,052,646	24.84%	78,461,294	20.62%	291,513,940	23.54%
Qld	157,943,491	18.42%	71,306,260	18.74%	229,249,751	18.51%
WA	83,388,788	9.72%	58,190,843	15.29%	141,579,631	11.43%
SA	68,275,011	7.96%	20,915,304	5.50%	89,190,315	7.20%
Tas	21,722,350	2.53%	20,167,913	5.30%	41,890,263	3.38%
ACT	8,710,552	1.02%	8,914,959	2.34%	17,625,511	1.42%
NT	14,226,675	1.66%	12,203,378	3.21%	26,430,053	2.13%
<b>Total</b>	<b>857,678,961</b>	<b>100.00%</b>	<b>380,577,395</b>	<b>100.00%</b>	<b>1,238,256,356</b>	<b>100.00%</b>

National Distribution of Financial Assistance Grants 1998/99



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# Financial Assistance Grants - Questions & Answers

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## HOW ARE THE GRANTS PAID TO COUNCILS?

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The payments are made in quarterly instalments, starting in mid- August each year.

It should be noted that the estimated entitlements are based on CPI and population projections. If the projections are not realised (up or down) then adjustments are made.

In fact an overpayment occurred for the amount paid in 1997/98. The overpayment amounted to \$10.5 million nationally and \$3.4 million for NSW. The adjustments are made proportionally across all councils and are deducted from the quarterly instalments during 1998/99.

## HOW SHOULD COUNCILS SPEND THE MONEY?

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Section 15 of the Act requires that the funds are to be paid unconditionally. The local council has complete autonomy in deciding how the grant funds should be spent. The council is accountable to its rate payers.

## HOW DOES THE GRANTS COMMISSION DISTRIBUTE THE MONEY?

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The two components of the grants are distributed on the basis of principles developed in consultation with local government and consistent with the national principles of the Commonwealth Act. The principles are shown in the appendices of this report.

## WHAT ABOUT THE GENERAL PURPOSE COMPONENT, HOW IS IT TREATED?

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With the *general purpose component* the Grants Commission attempts to equalise the financial capacity of councils. The approach taken considers cost disabilities in the provision of services on the one hand (*expenditure allowances*) and a theoretical assessment of revenue raising capacity on the other (*revenue allowances*). Because the grants are *untied*, the methodology is objective and excludes, as far as practicable, councils' policies and practices (the *effort neutral* principle).

The Commonwealth Act spells it out a little more formally. Section 6(2) of the Act requires the payment of grants is to *"have regard to the need that the allocation of funds...is made, as far as practicable, on a full horizontal equalisation basis"*. Section 6(3) goes on to define full horizontal equalisation as a basis that *"ensures that 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, and that takes account of differences in the expenditure required to be incurred by local governing bodies in the performance of their functions and in the capacity to raise revenue."*

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# Financial Assistance Grants - Questions & Answers

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## WHAT ABOUT THE LOCAL ROADS COMPONENT?

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To explain the *local roads component* it is helpful to understand a little of the history of the funding. Prior to 1991/92 local roads funds were paid to councils, through the RTA, as “*tied*” grants. However, the 1990 Special Premiers’ Conference decided that these funds would be “*untied*” and paid as general purpose grants.

The method of allocation used by the Grants Commission is similar to that formerly used by the RTA. Each council receives funding based on their proportion of the State’s population, local road length and bridge length.

## DO COUNCILS HAVE TO SPEND THE LOCAL ROADS COMPONENT ON ROADS?

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No. Although the local roads component is separately identified it forms part of the total financial assistance grants, which are untied. It is entirely up to the council to decide how the funds should be spent.

## EFFORT NEUTRAL WAS MENTIONED. CAN THAT BE EXPLAINED A LITTLE MORE?

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The effort neutral approach promotes the independence of policy or practices of local governing bodies in raising revenue and providing services. This means a grant to a particular council is not influenced by that council’s level of rates, its level of expenditure on particular functions, the degree to which it may become involved in business undertakings, nor the extent of its reserves or its debt.

Effort neutrality is central to the distribution of funds and it protects the autonomy of local government.

## CAN YOU TELL ME MORE ABOUT EXPENDITURE ALLOWANCES?

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*Expenditure allowances* are part of the *general purpose component* of the grant. They are calculated for each council for a selected range of council functions, such as libraries, health, building control, recreation, roads, etc. *Expenditure allowances* attempt to compensate councils for expected above average costs because of factors beyond their control.

Council policy decisions concerning the level of service provided, or if there is a service provided at all, are not considered (*effort neutral*).

## HOW DOES THE COMMISSION CALCULATE EXPENDITURE ALLOWANCES?

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*Expenditure allowances* are calculated for 21 functions or areas of expenditure. An additional allowance is calculated for councils outside the Sydney area that recognises their isolation.

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# Financial Assistance Grants - Questions & Answers

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The general formula for the calculation of *expenditure allowances* is:

$$\text{Allowance} = \text{No. of Units} \times \text{Standard Cost} \times \text{Disability}$$

Where: **No. of Units** is the measure of use of the function for the Council. For most functions the number of units is the population. For some others it may be the number of properties or the length of roads.

The **Standard Cost** is the weighted average net expenditure, per unit, by all councils in the State.

The **Disability** is the extent to which it is estimated to cost the council more than usual to provide the service. For each function the characteristics likely to influence the cost are identified and measured. The measure is then related to the potential additional costs to councils.

## CAN YOU TELL ME MORE ABOUT DISABILITY FACTORS

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A disability factor is the Commission's estimate of the additional cost, expressed as a percentage, of providing a standard service due to inherent disabilities, which are beyond a council's control. It should be noted that, consistent with the effort neutral principle, the Commission does not compensate councils for cost differences, which arise due to policy decisions of council, management performance, or accounting differences. For example, if it is estimated that it would cost a council 10% more than the standard, for town planning, because of population growth in the area, then the disability factor would be 10%.

For each function the Commission has identified a number of variables which are considered to be the most significant in influencing a council's expenditure on that particular function. These variables are termed disabilities. A council may have a disability due to inherent factors such as topography, climate, traffic, duplication of services etc. The appendices give details of the disabilities considered for each function. In addition to disabilities identified by the Commission, "Other" disabilities relating to individual councils may be determined from council visits or submissions.

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

$$\text{Disability Factor} = \left( \frac{\text{Council Measure}}{\text{Standard Measure}} \right) - 1 \times 100 \times \text{weighting}$$

Where:

**Council Measure** is the individual council's measure for the disability being assessed (for example, population growth);

**Standard Measure** is the State standard (generally the average) measure for the disability being assessed;

and

The **Weighting** is meant to reflect the significance of the measure in terms of the expected additional cost. The weightings have generally been determined by establishing a factor for the maximum disability based on a sample of councils and/or through discussion with appropriate organisations.

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Generally 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 function.

## CAN YOU GIVE AN EXAMPLE OF HOW EXPENDITURE ALLOWANCES ARE CALCULATED?

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### Using Library Service as an example:

The unit of use is population. Council A has a population of 10,000. The standard cost of library service is \$18.36 per capita.

It is assumed that a council with a population of 10,000 would spend \$183,600 on library services (ie. 10,000 x \$18.36).

The expenditure allowance is the estimate of how much extra it would cost Council A to provide the necessary service due to inherent characteristics of its area. So for each function those inherent factors likely to influence the cost of that function are identified and measured. For libraries the factors identified are:

*aged:*

*recognises the extra cost of providing special services to the aged such as large print books or home visiting services where there is an above average proportion of aged persons.*

*non-english speaking background:*

*recognises additional costs of information provision where there is an above average proportion of the population from NESB.*

*non-resident borrowers:*

*recognises additional cost of providing services to an above average proportion of non-residents.*

*population distribution:*

*recognises extra cost of providing services in more than one urban centre.*

*students:*

*recognises students as a major user group of library services.*

*other:*

*special characteristics of the area which may be highlighted by Council in submissions and during discussion with the Commission.*

For each factor's measure the Commission determines a weighting to reflect its significance in terms of additional cost. These are summed to produce a disability factor for the Council.

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# Financial Assistance Grants - Questions & Answers

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For example if Council A has 3 urban centres, an above average proportion of non-resident borrowers and an above average proportion of aged it may be assessed as having a disability of 20%. This would be included in the calculation:

$$10,000 \times \$18.36 \times 0.2 = \$36,720$$

in other words, it is estimated that it would cost the council \$36,720 more than the standard council because of its inherent disabilities. \$36,720 becomes Council A's expenditure allowance for libraries.

## **ARE THE GRANTS AFFECTED BY ANY SPECIFIC PURPOSE GRANTS THE COUNCIL MAY RECEIVE?**

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The Commission uses the inclusion approach in the treatment of specific purpose grants. This means that the disability allowance is discounted by the specific purpose grant as a proportion of the standardised expenditure. The formula used is shown in the appendices.

For the functions of Aged Persons' Services, and Children's Services, the deduction approach is used. This method deducts grant amounts from all councils' expenditure before standard costs are calculated. This approach is considered more appropriate for functions where the level of specific purpose payment assistance is related to council effort. The deduction approach is, therefore, more consistent with the "effort neutral" requirement specified in the principles. A deduction approach is used for street lighting because of differences in accounting practice between councils and county councils in various parts of the State.

The proportion of eligible pensioner rebates varies from council to council. Does the Commission recognise this?

A pensioner rebate allowance is calculated which recognises that the council share of pensioner rebates is an additional cost. Councils with high proportions of eligible pensioner rebates are, therefore, more disadvantaged than those with a lower proportion. Details of the formulas used to calculate allowances for the proportion of ratepayers eligible for pensioner rebates are contained in the appendices.

## **COUNCILS OUTSIDE THE SYDNEY AREA GENERALLY HAVE HIGHER FREIGHT AND TELEPHONE COSTS. IS THAT RECOGNISED?**

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Yes. In addition to the calculation of allowances for each expenditure function, the Commission also calculates an allowance for additional costs associated with isolation. The isolation allowance is calculated using regression analysis based on the additional costs of isolation and distances from capital cities. Details of the formula are shown in the appendices. An additional component is included which specifically recognises the additional industrial relations obligations of councils in western NSW.

## **WHAT ABOUT THE REVENUE ALLOWANCE OF THE GENERAL PURPOSE COMPONENT?**

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The calculation of *revenue allowances* involves determining each council's theoretical revenue raising capacity by comparing land values per property to a State standard and applying the State standard rate-in-the-dollar. For comparative purposes the Commission purchases valuation data that has been calculated to a common base date *for all councils* by the Valuer-General.

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# Financial Assistance Grants - Questions & Answers

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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 capacity of each council is *equalised* against the State standard. The Commission's approach excludes the rating policies of individual councils (*effort neutral*).

## I UNDERSTAND THE COMMISSION DISCOUNTS THE REVENUE ALLOWANCE. WHAT DOES THAT MEAN?

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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 Commonwealth and the approved 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 to overcome the *weighty* nature of the revenue calculations, in particular the impact of the Sydney metropolitan property values.

The objective approach to discounting revenue allowances reduces the extreme positives and negatives calculated, yet maintains the relativities established in the initial calculation.

## WHY IS RATE PEGGING NOT CONSIDERED WHEN CALCULATING A COUNCIL'S REVENUE RAISING CAPACITY?

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The calculations are essentially dealing with relativities between councils, and rate pegging affects all councils. Therefore, rate pegging is not specifically considered.

## HOW DOES THE NUMBER OF NON-RATEABLE PROPERTIES AFFECT THE CALCULATIONS?

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Non-rateable properties are excluded from the Commission's calculations. The calculations deal with relativities between councils, based on the theoretical revenue raising capacity of rateable properties for councils.

## DO ALL COUNCILS RECEIVE A GRANT?

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Yes. Section 6(2) of the Commonwealth Act requires that for the general purpose component every local governing body should receive a minimum amount. This is an amount, which would be allocated if 30% of the funds available were distributed among councils on a per capita basis.

Minimum entitlements for the 1998/99 grants have been determined by the Commission using population estimates for each council contained in the Australian Bureau of Statistics publication, Population New South Wales (Cat. 3234.1), at 30 June, 1997. The 1998/99 per capita minimum is \$13.88. There are twenty-two councils on the per capita minimum, which is the same as last year.

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# Financial Assistance Grants - Questions & Answers

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## HOW DOES THE COMMISSION'S CALCULATIONS COMPARE TO THE COMMONWEALTH FUNDING FOR THE GENERAL PURPOSE COMPONENT?

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The Commission's calculation of *general purpose grants* is initially made without reference to the total of funds available from the Commonwealth. The *notional general purpose grant* to each council must be re-scaled, firstly to the available funds, and secondly to bring those councils below the *per capita minimum* (\$13.88 for 1998/99) up to that level, as required in the federal legislation. Each council receives approximately 55% of the amount assessed as need, based on the Commission's calculations.

## WHY DO THE GRANTS TO COUNCILS VARY FROM YEAR TO YEAR?

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Generally movements in the grants are caused by annual variations in: property valuations; standard costs; road and bridge length; disability measures; and population. More information is given in the "highlights" chapter of this report.

## HOW IS CAPITAL EXPENDITURE TREATED?

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The requirements of councils for capital expenditure are not considered by the Commission because of the practical and theoretical problems involved.

In order to assess capital expenditure requirements the Commission would have to undertake a survey of the infrastructure needs of each council 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 determine which projects were worthwhile.

In addition, councils which had failed to adequately maintain their assets could be rewarded at the expense of those that did maintain them.

## WHAT ABOUT WATER AND SEWERAGE SCHEMES?

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The issue of funding for local water and sewerage undertakings was examined during the process of consultation between the Commission, the Local Government and Shires Associations, and local government generally. The consultation process preceded the development of the distribution principles required under the 1986 Commonwealth legislation.

The Associations and local government recommended to the Commission that water and sewerage functions should not be included in the financial assistance grants distribution principles. The main reasons given were:

- water and sewerage services are not functions performed by all general purpose councils in NSW. For example, metropolitan areas are serviced by Sydney Water and in many country areas county councils are the service providers

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# Financial Assistance Grants - Questions & Answers

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- the management arrangements for water and sewerage services varies from State to State;
- if water and sewerage functions were to be considered the level of funds available for other council functions would be significantly diminished
- including water and sewerage services would result in a reduced and distorted distribution of funds to general purpose councils, and
- other sources of funds and subsidies are available to councils by the State government for water and sewerage schemes.

When the distribution principles were developed following the inquiry the Commission agreed with the submissions of the Associations and local government and excluded water and sewerage functions from the distribution formula.

The Commission is still of the view that water and sewerage functions should be excluded from the grant distribution process.

## **WHAT ABOUT A COUNCIL'S MONEY MAKING VENTURE?**

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This is a policy decision by the council and, therefore, it is not considered in the Commission's calculations (*effort neutral*).

## **CAN THE COMMISSION HELP OUT IF OUR MONEY MAKING VENTURE FAILS?**

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No. The Commission is not a *lender of last resort* for councils with financial problems, nor does it underwrite the entrepreneurial operation of councils.

The Commission has no form of reserves to fall back on. The total allocation of funds each year is distributed to councils in that year.

## **WHAT ABOUT DEBT SERVICING?**

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

## **WHAT ABOUT POOR DECISIONS OF THE PAST?**

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This is also linked to the issue of council policy, albeit in the past.

## **DOES A COUNCIL'S LEVEL OF EXPENDITURE ON A PARTICULAR FUNCTION AFFECT THE GRANT?**

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Generally not. The use of council's expenditure in the calculations is limited to determining a state standard, or average, cost for each selected function. The *standard costs* for these functions are then applied to all councils in calculating their grants. What an individual council may actually spend on a function has very little bearing on the standard cost or its grant. Variations in standard costs reflect industry expenditure trends.

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# Financial Assistance Grants - Questions & Answers

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## WHAT ABOUT EFFICIENCY? ARE COUNCILS REWARDED IN SOME WAY?

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Yes! Because a council's grant is assessed independent of policy decisions by council, a council that provides a cost effective service still receives grant funding which it can allocate to other areas according to its priorities. *Efficiency reaps its own rewards!*

## THE COMMISSION GROUPS COUNCILS ACCORDING TO THE AUSTRALIAN CLASSIFICATION OF LOCAL GOVERNMENT CATEGORIES. DO THESE GROUPINGS AFFECT THE GRANT OUTCOMES?

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No. The categories are merely a convenient way of grouping councils for analysis purposes. They have no bearing on the grants themselves.

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## Schedule of Grant Entitlements

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The Commission's recommendations for the distribution of funds to local government in New South Wales for 1998-99, together with the actual entitlements for 1996-97 and 1997-98, are set out in the following tables. The recommendations have been determined in accordance with the provisions of the Local Government (Financial Assistance) Act, 1995; the Local Government Act 1993; and the methodology as stated in this Report.

**Estimated grant entitlements** for 1998-99 are based on Commonwealth estimates of the annual CPI and the States' shares of the national population. Adjustments, if necessary, will be made to the following year's payment instalments.

**Actual grant entitlements** for 1996-97 and 1997-98 have been adjusted for variations in the estimates of CPI and the States' shares of the national population. Adjustments are made across councils proportionally. Overpayments of \$2,489,050 and \$3,390,688 occurred in 1996-97 and 1997-98, respectively.

# Schedule of Grant Entitlements

Local Governing Body	1996-97				1997-98				1998-99			
	Estimated Resident Population as at 30/6/95 <sup>1</sup>	General Purpose Component	Local Roads Component	Total	Estimated Resident Population as at 30/6/96 <sup>2</sup>	General Purpose Component	Local Roads Component	Total	Estimated Resident Population as at 30/6/97 <sup>3</sup>	General Purpose Component	Local Roads Component	Total
Albury (C)	41,840	2,234,156	549,812	2,783,968	42,080	2,258,940	546,320	2,805,260	42,382	2,384,492	598,996	2,983,488
Armidale (C)	23,270	1,286,152	295,792	1,581,944	23,450	1,266,396	299,060	1,565,456	21,372	1,274,152	295,588	1,569,740
Ashfield (M)	41,350	964,376	182,008	1,146,384	41,950	927,824	182,240	1,110,064	41,896	899,112	183,160	1,082,272
Auburn	49,900	945,756	301,028	1,246,784	50,100	984,952	314,616	1,299,568	54,319	1,082,392	292,640	1,375,032
Ballina (S)	34,790	1,553,600	631,052	2,184,652	35,780	1,519,200	608,144	2,127,344	35,095	1,535,276	626,668	2,161,944
Balranald (S)	2,950	853,620	665,888	1,519,508	2,950	846,928	663,344	1,510,272	2,923	897,488	657,464	1,554,952
Bankstown (C)	163,250	3,088,108	837,496	3,925,604	163,650	2,971,072	832,024	3,803,096	166,270	2,953,376	857,088	3,810,464
Barraba (S)	2,440	464,360	357,376	821,736	2,360	483,604	377,336	860,940	2,339	531,444	388,092	919,536
Bathurst (C)	30,320	1,368,760	416,436	1,785,196	30,840	1,394,380	425,100	1,819,480	29,355	1,456,664	428,992	1,885,656
Baulkham Hills (S)	127,700	1,769,448	891,028	2,660,476	130,550	1,785,264	902,024	2,687,288	127,272	1,767,136	876,264	2,643,400
Bega Valley (S)	28,450	2,219,200	945,056	3,164,256	28,850	2,311,184	915,768	3,226,952	28,523	2,392,536	945,944	3,338,480
Bellingen (S)	12,670	1,306,140	406,616	1,712,756	12,870	1,322,068	423,128	1,745,196	12,532	1,344,660	434,880	1,779,540
Berrigan (S)	8,370	1,149,460	609,336	1,758,796	8,410	1,197,100	658,076	1,855,176	8,306	1,303,364	741,860	2,045,224
Bingara (S)	2,140	443,100	291,248	734,348	2,110	444,576	291,748	736,324	2,109	455,328	300,068	755,396
Blacktown (C)	232,900	8,232,184	1,583,396	9,815,580	236,050	8,258,784	1,571,152	9,829,936	244,176	8,704,064	1,619,448	10,323,512
Bland (S)	6,680	1,472,016	1,484,252	2,956,268	6,600	1,533,028	1,466,580	2,999,608	6,582	1,684,688	1,510,276	3,194,964
Blayney (S)	6,520	872,620	427,316	1,299,936	6,530	885,284	427,220	1,312,504	6,401	883,632	438,080	1,321,712
Blue Mountains (C)	74,900	4,870,644	764,272	5,634,916	75,550	4,791,544	754,320	5,545,864	75,433	4,783,324	791,664	5,574,988
Bogan (S)	3,240	971,072	719,948	1,691,020	3,210	975,880	735,956	1,711,836	3,310	1,023,112	758,756	1,781,868
Bombala	3,060	677,852	438,560	1,116,412	3,010	667,892	365,024	1,032,916	2,991	663,588	376,060	1,039,648
Boorowa	2,630	452,392	337,916	790,308	2,640	465,144	382,116	847,260	2,522	476,652	393,000	869,652
Botany Bay (C)	35,000	837,916	156,928	994,844	36,000	806,156	157,888	964,044	36,347	781,208	161,404	942,612
Bourke (S)	4,280	1,336,604	893,852	2,230,456	4,310	1,340,796	964,548	2,305,344	3,882	1,429,716	989,164	2,418,880
Brewarrina (S)	2,180	864,856	556,496	1,421,352	2,200	900,704	649,236	1,549,940	2,231	957,688	668,680	1,626,368
Broken Hill (C)	23,860	2,206,264	311,184	2,517,448	23,720	2,197,952	312,132	2,510,084	21,605	2,283,120	305,688	2,588,808
Burwood	29,250	405,296	154,216	559,512	29,350	401,360	153,556	554,916	29,887	414,976	158,416	573,392
Byron (S)	26,370	1,356,772	564,392	1,921,164	27,170	1,308,212	596,720	1,904,932	27,304	1,267,728	587,236	1,854,964
Cabonne (S)	12,370	1,427,620	1,044,388	2,472,008	12,500	1,436,156	1,050,860	2,487,016	12,219	1,444,096	1,084,980	2,529,076
Camden	28,300	937,316	299,116	1,236,432	29,500	920,956	303,440	1,224,396	35,249	1,151,196	331,208	1,482,404
Campbelltown (C)	150,200	6,781,784	859,592	7,641,376	151,100	6,917,276	887,392	7,804,668	148,815	7,214,620	902,684	8,117,304
Canterbury (C)	134,850	3,128,956	607,056	3,736,012	135,050	3,098,012	598,492	3,696,504	139,698	3,073,728	619,532	3,693,260

# Schedule of Grant Entitlements

Local Governing Body	1996-97				1997-98				1998-99			
	Estimated Resident Population as at 30/6/95 <sup>1</sup>	General Purpose Component	Local Roads Component	Total	Estimated Resident Population as at 30/6/96 <sup>2</sup>	General Purpose Component	Local Roads Component	Total	Estimated Resident Population as at 30/6/97 <sup>3</sup>	General Purpose Component	Local Roads Component	Total
Carrathool (S)	3,120	1,122,920	1,143,480	2,266,400	3,100	1,143,156	1,136,532	2,279,688	3,187	1,256,248	1,197,172	2,453,420
Casino	11,620	1,014,668	163,572	1,178,240	11,700	1,011,952	162,968	1,174,920	10,832	1,007,980	161,692	1,169,672
Central Darling (S)	2,630	1,288,576	729,112	2,017,688	2,580	1,270,836	799,624	2,070,460	2,391	1,347,968	821,532	2,169,500
Cessnock (C)	46,520	2,703,692	884,780	3,588,472	46,790	2,664,328	840,904	3,505,232	46,006	2,765,908	867,340	3,633,248
Cobar (S)	5,240	1,501,192	848,860	2,350,052	5,340	1,482,516	855,116	2,337,632	5,740	1,543,688	884,332	2,428,020
Coffs Harbour (C)	56,270	2,586,548	851,720	3,438,268	57,460	2,546,168	865,740	3,411,908	58,294	2,621,984	909,764	3,531,748
Conargo (S)	1,490	370,248	425,172	795,420	1,500	384,304	422,656	806,960	1,517	407,088	435,256	842,344
Concord	23,750	329,088	140,884	469,972	24,500	335,036	141,652	476,688	24,842	344,928	130,860	475,788
Coolah (S)	4,040	848,152	545,512	1,393,664	4,020	858,092	526,164	1,384,256	3,850	880,920	540,548	1,421,468
Coolamon (S)	4,060	892,372	566,048	1,458,420	4,060	919,724	562,412	1,482,136	4,017	986,496	671,744	1,658,240
Cooma-Monaro (S)	9,820	1,447,096	575,844	2,022,940	9,850	1,425,384	555,440	1,980,824	9,641	1,459,980	540,068	2,000,048
Coonabarabran (S)	7,270	1,258,584	692,428	1,951,012	7,250	1,289,676	688,756	1,978,432	6,891	1,328,164	714,196	2,042,360
Coonamble (S)	5,210	1,160,580	740,244	1,900,824	5,160	1,154,416	740,060	1,894,476	4,970	1,176,256	760,616	1,936,872
Cootamundra (S)	8,300	1,004,220	361,112	1,365,332	8,270	1,001,220	360,056	1,361,276	7,702	1,023,648	373,812	1,397,460
Copmanhurst (S)	4,130	752,500	497,192	1,249,692	4,150	747,696	360,964	1,108,660	4,104	739,300	371,672	1,110,972
Corowa (S)	8,530	1,051,724	537,008	1,588,732	8,570	1,093,204	533,812	1,627,016	8,433	1,200,428	687,952	1,888,380
Cowra (S)	12,650	1,453,840	806,632	2,260,472	12,680	1,462,168	790,556	2,252,724	12,524	1,514,580	780,876	2,295,456
Crookwell (S)	4,680	645,648	496,748	1,142,396	4,710	663,012	496,056	1,159,068	4,436	668,080	509,268	1,177,348
Culcairn (S)	4,510	805,680	439,328	1,245,008	4,500	831,772	436,564	1,268,336	4,212	840,020	447,296	1,287,316
Deniliquin	8,550	1,135,828	153,836	1,289,664	8,570	1,159,568	148,076	1,307,644	8,212	1,155,696	149,144	1,304,840
Drummoyne	31,200	432,316	157,696	590,012	31,400	429,396	156,840	586,236	32,384	449,644	162,316	611,960
Dubbo (C)	36,430	2,411,264	920,892	3,332,156	36,940	2,416,580	865,476	3,282,056	36,726	2,483,208	882,320	3,365,528
Dumaresq (S)	3,860	359,828	451,988	811,816	3,880	362,248	449,628	811,876	3,824	351,036	469,792	820,828
Dungog (S)	8,220	933,892	503,328	1,437,220	8,350	936,632	452,736	1,389,368	7,893	921,708	465,472	1,387,180
Eurobodalla (S)	30,390	2,968,644	767,416	3,736,060	31,090	2,975,964	763,164	3,739,128	30,755	3,074,396	795,624	3,870,020
Evans (S)	4,950	638,656	558,920	1,197,576	4,970	642,364	577,340	1,219,704	5,154	626,560	600,292	1,226,852
Fairfield (C)	187,150	6,202,584	1,025,036	7,227,620	188,200	6,186,448	1,022,416	7,208,864	190,132	6,220,364	1,056,264	7,276,628
Forbes (S)	10,560	1,645,492	1,018,880	2,664,372	10,570	1,661,588	1,013,052	2,674,640	10,331	1,721,276	1,042,076	2,763,352
Gilgandra (S)	5,000	968,196	628,740	1,596,936	4,980	981,532	657,356	1,638,888	4,862	1,007,756	686,380	1,694,136
Glen Innes (M)	6,540	818,312	125,908	944,220	6,570	829,296	116,024	945,320	6,148	821,620	116,252	937,872
Gloucester (S)	4,890	701,532	487,524	1,189,056	4,900	711,204	447,184	1,158,388	4,974	719,380	458,952	1,178,332

# Schedule of Grant Entitlements

Local Governing Body	1996-97				1997-98				1998-99			
	Estimated Resident Population as at 30/6/95 <sup>1</sup>	General Purpose Component	Local Roads Component	Total	Estimated Resident Population as at 30/6/96 <sup>2</sup>	General Purpose Component	Local Roads Component	Total	Estimated Resident Population as at 30/6/97 <sup>3</sup>	General Purpose Component	Local Roads Component	Total
Gosford (C)	146,750	5,541,660	1,281,016	6,822,676	149,500	5,636,176	1,218,440	6,854,616	153,063	5,651,044	1,260,184	6,911,228
Goulburn (C)	22,180	1,112,756	290,176	1,402,932	22,220	1,076,856	281,928	1,358,784	21,310	1,119,912	284,580	1,404,492
Grafton (C)	18,090	1,277,516	240,972	1,518,488	18,190	1,246,668	239,288	1,485,956	17,424	1,246,428	242,276	1,488,704
Great Lakes	28,240	2,511,252	714,480	3,225,732	29,040	2,615,340	718,128	3,333,468	29,551	2,807,764	746,536	3,554,300
Greater Taree (C)	44,260	2,244,252	1,262,344	3,506,596	44,660	2,159,196	1,294,736	3,453,932	43,530	2,234,304	1,330,228	3,564,532
Griffith (C)	21,860	1,298,604	738,584	2,037,188	22,040	1,262,968	745,492	2,008,460	22,462	1,310,196	771,668	2,081,864
Gundagai (S)	3,860	565,500	391,364	956,864	3,850	573,504	393,164	966,668	3,787	579,108	409,452	988,560
Gunmedah (S)	13,480	1,264,752	831,680	2,096,432	13,440	1,281,208	929,384	2,210,592	13,040	1,353,796	967,876	2,321,672
Gunning (S)	2,310	367,556	232,240	599,796	2,340	382,788	263,832	646,620	2,312	404,684	272,120	676,804
Guyra (S)	4,890	688,088	491,108	1,179,196	4,880	705,260	486,356	1,191,616	4,358	710,436	496,500	1,206,936
Harden (S)	4,210	684,968	396,156	1,081,124	4,200	713,356	490,936	1,204,292	3,891	783,928	502,540	1,286,468
Hastings	54,940	2,810,048	1,218,320	4,028,368	56,440	2,756,176	1,270,704	4,026,880	58,243	2,895,592	1,256,244	4,151,836
Hawkesbury (C)	56,900	2,208,064	919,928	3,127,992	57,450	2,222,304	904,716	3,127,020	60,042	2,255,236	939,700	3,194,936
Hay (S)	3,870	896,924	418,996	1,315,920	3,880	910,520	416,368	1,326,888	3,795	927,624	420,968	1,348,592
Holbrook (S)	2,620	437,276	211,108	648,384	2,600	455,396	228,868	684,264	2,574	461,220	237,324	698,544
Holroyd (C)	82,100	1,593,228	467,380	2,060,608	82,100	1,650,968	463,972	2,114,940	84,617	1,814,296	480,380	2,294,676
Hornsby (S)	141,600	1,962,052	877,532	2,839,584	144,750	1,979,448	862,048	2,841,496	145,868	2,025,336	845,892	2,871,228
Hume (S)	7,020	785,184	400,772	1,185,956	7,130	816,400	406,244	1,222,644	7,056	810,388	419,928	1,230,316
Hunters Hill (M)	12,800	177,360	81,568	258,928	13,050	178,460	81,580	260,040	12,733	176,796	82,824	259,620
Hurstville (C)	68,200	945,000	335,100	1,280,100	68,400	935,364	331,732	1,267,096	69,867	970,084	342,248	1,312,332
Inverell (S)	16,400	1,661,736	1,067,144	2,728,880	16,420	1,651,884	1,053,720	2,705,604	15,335	1,735,820	1,078,080	2,813,900
Jerilderie (S)	1,900	593,700	495,876	1,089,576	1,890	599,320	506,656	1,105,976	1,940	628,672	522,064	1,150,736
Junee (S)	6,160	990,000	458,340	1,448,340	6,200	1,011,288	457,096	1,468,384	5,924	1,016,960	468,508	1,485,468
Kempsey (S)	26,860	2,056,012	901,180	2,957,192	27,150	1,985,544	906,524	2,892,068	26,535	2,052,232	933,400	2,985,632
Kiama (M)	18,370	799,372	215,896	1,015,268	18,770	775,672	216,148	991,820	18,604	791,532	225,540	1,017,072
Kogarah (M)	48,200	667,872	261,532	929,404	48,450	662,552	260,152	922,704	50,649	703,248	271,088	974,336
Ku-ring-gai (M)	106,350	1,473,620	614,156	2,087,776	107,450	1,469,368	611,948	2,081,316	106,262	1,475,420	621,904	2,097,324
Kyogle	10,400	1,352,224	884,960	2,237,184	10,500	1,328,636	837,368	2,166,004	9,919	1,325,892	864,244	2,190,136
Lachlan (S)	7,720	2,121,052	1,727,843	3,848,895	7,640	2,114,092	1,719,578	3,833,670	7,483	2,240,288	1,707,132	3,947,420
Lake Macquarie (C)	177,580	7,992,856	1,391,240	9,384,096	179,450	8,324,516	1,417,220	9,741,736	178,947	8,381,628	1,456,904	9,838,532
Lane Cove (M)	30,250	419,152	154,412	573,564	30,450	416,404	160,144	576,548	31,423	436,300	165,952	602,252

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Local Governing Body	1996-97				1997-98				1998-99			
	Estimated Resident Population as at 30/6/95 <sup>1</sup>	General Purpose Component	Local Roads Component	Total	Estimated Resident Population as at 30/6/96 <sup>2</sup>	General Purpose Component	Local Roads Component	Total	Estimated Resident Population as at 30/6/97 <sup>3</sup>	General Purpose Component	Local Roads Component	Total
Leeton (S)	11,190	1,206,560	503,912	1,710,472	11,250	1,214,628	500,740	1,715,368	11,394	1,266,820	518,424	1,785,244
Leichhardt (M)	59,700	1,578,324	307,276	1,885,600	59,950	1,518,504	286,192	1,804,696	61,259	1,471,516	299,668	1,771,184
Lismore (C)	45,260	2,721,092	1,015,192	3,736,284	45,860	2,639,512	1,013,124	3,652,636	43,489	2,584,840	1,047,268	3,632,108
Lithgow (C)	20,520	1,863,776	517,976	2,381,752	20,550	1,793,140	514,152	2,307,292	19,893	1,806,408	526,584	2,332,992
Liverpool (C)	109,900	3,711,104	775,912	4,487,016	114,350	3,803,636	790,152	4,593,788	130,523	4,007,588	866,824	4,874,412
Lockhart (S)	3,750	860,360	756,372	1,616,732	3,740	896,020	788,752	1,684,772	3,585	983,300	810,904	1,794,204
Lord Howe Island (Bd)	340	91,436	0	91,436	340	91,912	0	91,912	335	100,724	0	100,724
Maclean	15,260	1,768,164	478,408	2,246,572	15,560	1,789,784	449,608	2,239,392	15,767	1,771,416	467,428	2,238,844
Maitland (C)	51,910	2,650,096	544,560	3,194,656	52,700	2,596,040	559,088	3,155,128	52,153	2,609,532	580,592	3,190,124
Manilla (S)	3,500	573,132	354,156	927,288	3,490	567,492	352,216	919,708	3,299	562,860	345,568	908,428
Manly	35,800	496,052	172,248	668,300	36,750	502,552	173,076	675,628	37,895	526,164	180,240	706,404
Marrickville	77,800	3,299,048	352,864	3,651,912	77,900	3,174,016	347,060	3,521,076	80,084	3,075,800	350,748	3,426,548
Merriwa (S)	2,490	437,784	295,448	733,232	2,480	444,404	292,404	736,808	2,349	439,028	301,032	740,060
More Plains (S)	16,470	1,938,660	1,486,504	3,425,164	16,390	1,919,784	1,480,284	3,400,068	15,305	1,973,560	1,507,256	3,480,816
Mosman (M)	26,300	364,424	132,056	496,480	27,400	374,696	133,568	508,264	27,624	383,552	136,580	520,132
Mudgee (S)	17,870	1,602,160	897,020	2,499,180	18,090	1,541,440	866,256	2,407,696	17,660	1,540,916	890,548	2,431,464
Mulwaree (S)	5,790	716,576	655,400	1,371,976	5,870	746,276	652,596	1,398,872	5,863	795,656	666,760	1,462,416
Murray (S)	5,290	874,460	693,688	1,568,148	5,400	903,192	701,772	1,604,964	5,442	916,888	724,108	1,640,996
Murrumbidgee (S)	2,450	533,852	313,636	847,488	2,470	543,052	311,784	854,836	2,570	553,600	317,152	870,752
Murrurundi (S)	2,450	347,360	290,556	637,916	2,440	354,480	289,044	643,524	2,245	345,664	296,188	641,852
Muswellbrook (S)	16,060	1,339,432	474,440	1,813,872	16,110	1,332,308	485,176	1,817,484	15,631	1,353,368	497,764	1,851,132
Nambucca (S)	18,020	1,478,080	739,908	2,217,988	18,220	1,422,056	602,308	2,024,364	17,738	1,436,224	619,128	2,055,352
Narrabri (S)	14,540	2,115,392	1,225,940	3,341,332	14,480	2,039,904	1,170,704	3,210,608	14,118	2,089,700	1,207,828	3,297,528
Narrandera (S)	7,260	1,241,160	814,540	2,055,700	7,270	1,267,448	781,684	2,049,132	7,074	1,320,232	804,200	2,124,432
Narromine (S)	7,290	1,274,616	716,960	1,991,576	7,320	1,318,980	716,852	2,035,832	6,714	1,367,132	728,704	2,095,836
Newcastle (C)	138,350	7,512,744	924,676	8,437,420	138,820	7,272,788	944,300	8,217,088	138,250	7,580,876	968,508	8,549,384
North Sydney	52,200	723,300	242,052	965,352	53,400	730,244	242,724	972,968	56,961	790,888	255,772	1,046,660
Nundle (S)	1,400	239,636	163,960	403,596	1,400	245,576	170,056	415,632	1,386	245,436	175,672	421,108
Nymboida (S)	4,580	684,320	371,564	1,055,884	4,700	676,544	372,044	1,048,588	4,491	655,608	377,552	1,033,160
Oberon	4,440	562,860	376,936	939,796	4,520	586,184	402,180	988,364	4,602	626,768	416,324	1,043,092
Orange (C)	34,980	1,682,888	495,424	2,178,312	35,260	1,653,060	492,564	2,145,624	35,050	1,709,076	517,512	2,226,588

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Local Governing Body	1996-97				1997-98				1998-99			
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Parkes (S)	14,640	1,805,452	1,076,244	2,881,696	14,760	1,797,860	992,408	2,790,268	15,286	1,849,280	1,029,120	2,878,400
Parramatta (C)	138,250	3,123,516	821,520	3,945,036	138,850	3,050,292	817,940	3,868,232	144,093	3,316,872	868,300	4,185,172
Parry (S)	12,870	1,124,464	940,888	2,065,352	12,930	1,128,384	904,284	2,032,668	12,119	1,148,760	933,396	2,082,156
Penrith (C)	166,200	6,150,728	1,163,184	7,313,912	168,450	6,232,528	1,171,360	7,403,888	169,709	6,414,292	1,205,836	7,620,128
Pittwater	52,250	723,992	332,896	1,056,888	52,500	717,932	324,900	1,042,832	55,338	768,356	339,564	1,107,920
Port Stephens	51,620	2,553,548	552,316	3,105,864	53,260	2,473,588	549,312	3,022,900	53,506	2,518,280	568,708	3,086,988
Queanbeyan (C)	28,070	1,348,444	342,240	1,690,684	28,680	1,328,636	345,368	1,674,004	28,584	1,361,976	359,888	1,721,864
Quirindi (S)	5,430	761,584	453,680	1,215,264	5,380	770,968	447,476	1,218,444	4,965	775,936	458,564	1,234,500
Randwick (C)	117,800	1,632,268	534,928	2,167,196	119,700	1,636,892	524,480	2,161,372	124,697	1,731,384	549,244	2,280,628
Richmond River (S)	9,880	1,250,608	581,356	1,831,964	10,060	1,242,260	580,748	1,823,008	9,990	1,247,376	609,408	1,856,784
Rockdale (C)	87,450	1,531,652	427,536	1,959,188	87,800	1,473,600	424,684	1,898,284	89,895	1,429,396	440,316	1,869,712
Ryde (C)	95,600	1,324,660	503,692	1,828,352	96,500	1,319,628	501,820	1,821,448	97,329	1,351,388	505,208	1,856,596
Rylstone (S)	4,050	693,020	347,132	1,040,152	4,040	699,696	345,388	1,045,084	3,836	703,708	354,308	1,058,016
Scone (S)	10,260	990,992	500,516	1,491,508	10,390	999,740	581,348	1,581,088	9,845	995,316	594,952	1,590,268
Severn (S)	3,100	515,516	594,100	1,109,616	3,090	521,876	576,252	1,098,128	3,023	544,048	601,248	1,145,296
Shellharbour (C)	51,690	1,777,572	309,300	2,086,872	52,560	1,810,068	350,020	2,160,088	54,978	1,942,312	308,972	2,251,284
Shoalhaven (C)	78,550	5,616,056	1,526,980	7,143,036	80,840	5,576,272	1,520,044	7,096,316	80,355	5,696,880	1,528,460	7,225,340
Silverton (VC)	n.a.	0	0	0	n.a.	0	0	0	58	17,400	0	17,400
Singleton (S)	20,370	1,195,496	578,004	1,773,500	20,670	1,187,828	582,012	1,769,840	20,479	1,182,944	605,148	1,788,092
Snowy River (S)	5,970	1,078,112	494,840	1,572,952	6,090	1,110,144	431,964	1,542,108	6,282	1,141,992	460,044	1,602,036
South Sydney (C)	70,250	2,150,512	334,344	2,484,856	73,800	2,239,648	340,540	2,580,188	82,029	2,461,216	367,120	2,828,336
Strathfield (M)	26,550	367,884	141,012	508,896	27,050	369,908	141,244	511,152	27,586	383,024	145,600	528,624
Sutherland (S)	201,600	2,793,428	1,108,608	3,902,036	203,400	2,781,480	1,103,732	3,885,212	206,483	2,866,960	1,133,628	4,000,588
Sydney (C)	7,400	102,536	71,868	174,404	7,950	108,716	72,816	181,532	15,869	220,340	99,776	320,116
Tallaganda (S)	2,680	593,072	348,600	941,672	2,670	588,528	346,552	935,080	2,593	582,684	322,728	905,412
Tamworth (C)	36,680	1,845,544	502,136	2,347,680	36,890	1,783,532	500,964	2,284,496	35,236	1,835,788	507,084	2,342,872
Temora (S)	6,560	1,018,980	634,784	1,653,764	6,500	1,031,268	624,976	1,656,244	6,082	1,052,696	640,324	1,693,020
Tenterfield (S)	7,020	1,165,724	808,968	1,974,692	7,010	1,184,684	804,512	1,989,196	6,621	1,221,708	825,684	2,047,392
Tibooburra (VC)	n.a.	0	0	0	n.a.	0	0	0	124	37,200	0	37,200
Tumbarumba (S)	3,700	655,932	295,828	951,760	3,680	662,628	294,092	956,720	3,772	671,780	306,192	977,972
Tumut (S)	11,520	1,326,676	411,816	1,738,492	11,570	1,301,472	393,284	1,694,756	11,318	1,305,256	418,456	1,723,712

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Tweed (S)	61,780	3,435,532	1,145,268	4,580,800	64,020	3,451,256	1,159,544	4,610,800	67,082	3,549,048	1,241,676	4,790,724
Ulmarra (S)	6,280	1,041,276	426,292	1,467,568	6,400	1,074,520	334,288	1,408,808	6,219	1,087,212	347,300	1,434,512
Uralla (S)	6,390	733,756	508,428	1,242,184	6,420	746,928	477,732	1,224,660	5,954	749,756	494,132	1,243,888
Urana (S)	1,550	567,252	447,036	1,014,288	1,520	572,240	444,136	1,016,376	1,575	607,704	456,028	1,063,732
Wagga Wagga (C)	57,310	2,886,676	1,502,600	4,389,276	57,750	2,871,024	1,583,736	4,454,760	56,188	2,934,536	1,624,780	4,559,316
Wakool (S)	5,280	954,452	704,820	1,659,272	5,300	989,444	814,032	1,803,476	4,882	1,045,216	835,628	1,880,844
Walcha	3,650	442,812	515,100	957,912	3,630	447,248	512,164	959,412	3,355	439,344	462,340	901,684
Walgett (S)	8,160	1,657,124	1,070,220	2,727,344	8,200	1,660,468	1,059,564	2,720,032	8,283	1,724,116	1,092,464	2,816,580
Warren (S)	3,710	873,528	569,604	1,443,132	3,700	865,848	566,284	1,432,132	3,409	839,052	534,176	1,373,228
Warringham	129,600	1,865,060	690,368	2,555,428	129,600	1,772,272	687,204	2,459,476	131,920	1,831,672	707,060	2,538,732
Waverley	60,300	1,635,708	229,544	1,865,252	60,200	1,604,228	231,560	1,835,788	65,448	1,617,840	250,368	1,868,208
Weddin (S)	4,280	746,852	505,488	1,252,340	4,270	777,804	513,932	1,291,736	3,825	819,960	525,384	1,345,344
Wellington	9,520	1,465,528	671,724	2,137,252	9,490	1,462,816	703,868	2,166,684	8,879	1,472,692	722,860	2,195,552
Wentworth (S)	7,300	1,603,356	1,018,636	2,621,992	7,290	1,652,020	1,015,652	2,667,672	7,189	1,733,576	1,047,636	2,781,212
Willoughby (C)	54,550	755,864	299,856	1,055,720	56,800	776,736	302,976	1,079,712	57,104	792,876	309,904	1,102,780
Windouran (S)	440	214,128	227,772	441,900	440	223,000	226,448	449,448	398	245,060	232,684	477,744
Wingecarribee (S)	37,120	1,751,372	809,364	2,560,736	37,920	1,757,156	812,832	2,569,988	38,702	1,842,724	872,704	2,715,428
Wollondilly (S)	33,750	1,269,776	656,364	1,926,140	34,600	1,280,808	658,808	1,939,616	34,952	1,355,600	692,456	2,048,056
Wollongong (C)	183,530	7,460,884	1,210,632	8,671,516	184,410	7,178,124	1,194,216	8,372,340	184,478	7,526,132	1,224,616	8,750,748
Woolahra (M)	50,400	698,356	248,376	946,732	50,550	691,264	245,784	937,048	53,536	743,336	240,872	984,208
Wyong (S)	116,300	5,375,528	1,026,172	6,401,700	119,350	5,240,256	1,062,284	6,302,540	123,139	5,372,276	1,109,580	6,481,856
Yallaroi (S)	3,550	741,984	677,464	1,419,448	3,510	736,852	673,044	1,409,896	3,290	761,528	685,256	1,446,784
Yarrowlumla (S)	9,220	766,436	334,544	1,100,980	9,400	742,744	333,916	1,076,660	9,360	719,760	365,620	1,085,380
Yass (S)	9,740	1,144,064	559,360	1,703,424	9,840	1,169,876	562,912	1,732,788	9,400	1,133,676	559,568	1,693,244
Young (S)	11,380	1,169,232	643,324	1,812,556	11,400	1,193,964	632,972	1,826,936	11,385	1,240,040	653,096	1,893,136
<b>TOTAL</b>	<b>6,114,240</b>	<b>282,395,260</b>	<b>107,329,551</b>	<b>389,724,811</b>	<b>6,189,140</b>	<b>282,122,340</b>	<b>107,222,222</b>	<b>389,344,562</b>	<b>6,273,654</b>	<b>290,359,448</b>	<b>110,417,444</b>	<b>400,776,892</b>

**Population Sources:**

- 1 ABS Estimated Resident Population, NSW (Cat. No. 3210.1) 1995 Preliminary. Total excludes Unincorporated Area.
- 2 ABS Estimated Resident Population, NSW (Cat. No. 3210.1) 1996 Preliminary. Total excludes Unincorporated Area.
- 3 ABS Population, NSW (Cat. No. 3234.1) 1997 Preliminary and Demography Section ABS. Total excludes Unincorporated Area.

## Schedule of Local Road Length

The following schedule shows the local road lengths used in the Commission's calculation of the 1998/99 grants for each council. The information represents local road lengths as at 30 June 1997, as reported to the Commission by councils.

Local roads are those roads available and used by the general public and which are the full financial responsibility of the council. National and state highways, and regional roads for which the council receives specific purpose funding are not included.

Local Governing Body	Urban Local Roads (km)	Non-Urban Sealed Local Roads (km)	Non-Urban Unsealed Local Roads (km)	Total Local Roads (km)
Albury (C)	312	12	15	339
Armidale (C)	139	22	10	170
Ashfield (M)	92	0	0	92
Auburn	192	0	0	192
Ballina (S)	203	223	117	543
Balranald (S)	28	35	1,203	1,266
Bankstown (C)	542	0	0	542
Barraba (S)	62	107	513	681
Bathurst (C)	198	45	44	287
Baulkham Hills (S)	468	186	29	683
Bega Valley (S)	216	96	777	1,089
Bellingen (S)	73	193	198	464
Berrigan (S)	106	502	715	1,322
Bingara (S)	29	104	388	521
Blacktown (C)	1,010	112	17	1,139
Bland (S)	89	402	2,402	2,894
Blayney (S)	67	218	415	700
Blue Mountains (C)	550	81	74	704
Bogan (S)	56	134	1,215	1,405
Bombala	30	91	507	628
Boorowa	22	117	591	730
Botany Bay (C)	89	0	0	89
Bourke (S)	37	9	1,837	1,883
Brewarrina (S)	21	15	1,228	1,264
Broken Hill (C)	206	1	5	212
Burwood	86	0	0	86

## Schedule of Local Road Length

Local Governing Body	Urban Local Roads (km)	Non-Urban Sealed Local Roads (km)	Non-Urban Unsealed Local Roads (km)	Total Local Roads (km)
Byron (S)	136	259	97	492
Cabonne (S)	95	360	1,358	1,813
Camden	133	130	3	266
Campbelltown (C)	506	68	5	579
Canterbury (C)	308	0	0	308
Carrathool (S)	45	250	2,014	2,309
Casino	77	23	13	113
Central Darling (S)	39	20	1,543	1,602
Cessnock (C)	331	142	322	795
Cobar (S)	51	62	1,555	1,668
Coffs Harbour (C)	255	201	139	595
Conargo (S)	3	304	530	837
Concord	86	0	0	86
Coolah (S)	50	237	682	968
Coolamon (S)	75	246	955	1,276
Cooma-Monaro (S)	86	70	684	840
Coonabarabran (S)	64	167	1,028	1,259
Coonamble (S)	67	154	1,165	1,386
Cootamundra (S)	82	212	248	542
Copmanhurst (S)	12	208	275	495
Corowa (S)	94	344	755	1,194
Cowra (S)	153	306	785	1,244
Crookwell (S)	44	169	667	880
Culcairn (S)	59	235	506	800
Deniliquin	99	18	31	148
Drummoyne	99	0	0	99
Dubbo (C)	200	409	468	1,076
Dumaresq (S)	8	171	620	799
Dungog (S)	44	287	266	597
Eurobodalla (S)	293	122	502	917
Evans (S)	28	321	641	990
Fairfield (C)	556	42	2	600

## Schedule of Local Road Length

Local Governing Body	Urban Local Roads (km)	Non-Urban Sealed Local Roads (km)	Non-Urban Unsealed Local Roads (km)	Total Local Roads (km)
Forbes (S)	136	516	1,148	1,800
Gilgandra (S)	36	220	975	1,231
Glen Innes (M)	61	29	14	104
Gloucester (S)	26	101	492	619
Gosford (C)	853	95	80	1,028
Goulburn (C)	153	8	3	164
Grafton (C)	104	28	20	152
Great Lakes	248	165	404	817
Greater Taree (C)	203	351	950	1,504
Griffith (C)	150	281	704	1,135
Gundagai (S)	35	222	397	654
Gunnedah (S)	92	222	1,335	1,649
Gunning (S)	28	142	312	483
Guyra (S)	49	266	550	865
Harden (S)	67	412	419	898
Hastings	354	342	433	1,128
Hawkesbury (C)	214	393	271	877
Hay (S)	45	131	593	769
Holbrook (S)	37	170	173	380
Holroyd (C)	312	0	0	312
Hornsby (S)	456	92	44	592
Hume (S)	67	221	405	694
Hunter's Hill (M)	61	0	0	61
Hurstville (C)	211	0	0	211
Inverell (S)	155	294	1,332	1,782
Jerilderie (S)	22	274	698	994
Junee (S)	64	424	329	817
Kempsey (S)	150	275	601	1,026
Kiama (M)	89	76	26	191
Kogarah (M)	169	0	0	169
Ku-Ring-Gai (M)	433	0	0	433

## Schedule of Local Road Length

Local Governing Body	Urban Local Roads (km)	Non-Urban Sealed Local Roads (km)	Non-Urban Unsealed Local Roads (km)	Total Local Roads (km)
Kyogle	39	193	722	954
Lachlan (S)	119	348	2,778	3,245
Lake Macquarie (C)	937	141	100	1,179
Lane Cove (M)	100	0	0	100
Leeton (S)	91	227	512	830
Leichhardt (M)	176	0	0	176
Lismore (C)	220	410	430	1,060
Lithgow (C)	206	155	288	649
Liverpool (C)	402	198	10	610
Lockhart (S)	89	325	1,054	1,467
Maclean	149	194	173	516
Maitland (C)	288	176	50	514
Manilla (S)	38	81	440	558
Manly	103	0	0	103
Marrickville	190	0	0	190
Merriwa (S)	18	88	442	548
Moree Plains (S)	165	295	2,178	2,638
Mosman (M)	85	0	0	85
Mudgee (S)	92	215	1,038	1,345
Mulwaree (S)	25	337	738	1,100
Murray (S)	55	173	1,014	1,242
Murrumbidgee (S)	25	169	394	588
Murrurundi (S)	26	111	338	475
Muswellbrook (S)	81	393	134	608
Nambucca (S)	90	165	361	616
Narrabri (S)	134	205	1,766	2,104
Narrandera (S)	81	245	1,124	1,450
Narromine (S)	52	497	781	1,330
Newcastle (C)	688	19	2	708
North Sydney	143	0	0	143
Nundle (S)	13	49	221	283

## Schedule of Local Road Length

Local Governing Body	Urban Local Roads (km)	Non-Urban Sealed Local Roads (km)	Non-Urban Unsealed Local Roads (km)	Total Local Roads (km)
Nymboida (S)	3	130	392	525
Oberon	32	259	442	733
Orange (C)	176	118	63	357
Parkes (S)	146	337	1,281	1,765
Parramatta (C)	490	0	0	490
Parry (S)	58	331	983	1,372
Penrith (C)	666	204	23	893
Pittwater	225	0	4	229
Port Stephens	245	192	83	520
Queanbeyan (C)	185	0	5	190
Quirindi (S)	71	132	593	796
Randwick (C)	295	0	0	295
Richmond River (S)	48	261	511	820
Rockdale (C)	262	0	0	262
Ryde (C)	313	0	0	313
Rylstone (S)	37	138	401	576
Scone (S)	65	145	590	799
Severn (S)	30	205	739	974
Shellharbour (C)	171	27	4	201
Shoalhaven (C)	651	355	408	1,414
Singleton (S)	111	424	165	700
Snowy River (S)	61	214	451	726
South Sydney (C)	198	0	0	198
Strathfield (M)	86	0	0	86
Sutherland (S)	746	14	0	760
Sydney (C)	66	0	0	66
Tallaganda (S)	22	99	422	543
Tamworth (C)	233	51	43	327
Temora (S)	72	249	813	1,134
Tenterfield (S)	75	170	1,136	1,381
Tumbarumba (S)	38	140	293	471

## Schedule of Local Road Length

Local Governing Body	Urban Local Roads (km)	Non-Urban Sealed Local Roads (km)	Non-Urban Unsealed Local Roads (km)	Total Local Roads (km)
Tumut (S)	90	185	281	556
Tweed (S)	390	328	278	996
Ulmarra (S)	49	204	245	498
Uralla (S)	42	233	539	814
Urana (S)	50	194	620	864
Wagga Wagga (C)	438	442	1,081	1,961
Wakool (S)	36	294	1,094	1,424
Walcha	27	85	653	765
Walgett (S)	64	33	1,853	1,950
Warren (S)	27	286	640	953
Warringah	414	32	2	448
Waverley	110	0	0	110
Weddin (S)	33	388	547	968
Wellington	94	245	903	1,243
Wentworth (S)	44	189	1,707	1,940
Willoughby (C)	202	0	0	202
Windouran (S)	2	206	239	447
Wingecarribee (S)	326	333	309	968
Wollondilly (S)	130	415	127	672
Wollongong (C)	813	68	10	890
Woollahra (M)	135	0	0	135
Wyong (S)	564	247	110	921
Yallaroi (S)	25	140	1,123	1,288
Yarrowlumla (S)	25	190	266	482
Yass (S)	57	252	580	889
Young (S)	104	223	726	1,053
<b>Total</b>	<b>29,269</b>	<b>28,808</b>	<b>83,733</b>	<b>141,804</b>

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# Appendix 1 - Member Profiles

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## **COUNCILLOR BARBARA ARMITAGE - CHAIRPERSON**

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Cr Armitage is the longest serving female Mayor in NSW, with ten years service as Mayor of Waverley Council. She is also a member of the Premier's Crime Prevention Council and is an accredited mediator with the Community Justice Centre. Cr Armitage has held positions as an Associate to a Supreme Court Judge; and Project Officer, to the Minister's Advisory Service on Family and Children Services. Cr Armitage is also actively involved in community groups as well as various environmental groups.

## **MR TIM ROGERS, BEc, MAd - DEPUTY CHAIRPERSON/DIRECTOR**

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Mr Rogers is also Deputy-Director General of the Department of Local Government. He previously held senior positions in Business and Consumer Affairs and the NSW Department of Industrial Development and Decentralisation. He served as Deputy Chairperson (NSW) of the Albury-Wodonga Development Corporation in 1990-91. He previously held positions in the Sydney Water Board, Education Department, Public Service Board and the Department of Local Government and Lands.

## **COUNCILLOR PATRICIA DIXON - MEMBER**

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Currently Deputy Mayor of Armidale City Council, Cr Dixon is also Chief Executive Officer of Armidale District Services Incorporated, a community health services organisation, and is a member of the Minister's Local Government Reform Taskforce. Cr Dixon has held a wide range of positions representing the aboriginal community with such organisations as the Department of Local Government, the Australian Local Government Association, and Home Care Services of NSW.

## **EMERITUS PROFESSOR MAURICE DALY, BA (Hons), PhD, MIMC - MEMBER**

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Director, Daly Research Systems Pty Ltd and Emeritus Professor, Sydney University. Prof Daly was formerly engaged in teaching in Universities in Malaysia, Los Angeles, India, London and Nigeria as well as Sydney and Macquarie Universities 1967-94. Prof Daly is now actively involved in research and writing on economic planning and development issues in Australia and the Asian Pacific region.

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## Appendix 2 - Councils Visited During 1997/98

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<b>Council</b>	<b>Date Visited</b>
Great Lakes	28 August, 1997
Greater Taree City	28 August, 1997
Dungog Shire	29 August, 1997
Gloucester Shire	29 August, 1997
Cootamundra Shire	27 November, 1997
Temora Shire	27 November, 1997
Bland Shire	28 November, 1997
Forbes Shire	28 November, 1997
Crookwell Shire	26 February, 1998
Goulburn City	26 February, 1998
Mulwaree Shire	27 February, 1998
Fairfield City	26 March, 1998
Liverpool City	26 March, 1998
Cessnock City	27 March, 1998
Gosford City	27 March, 1998
Copmanhurst Shire	30 April, 1998
Grafton City	30 April, 1998
Maclean	1 May, 1998
Ulmarra Shire	1 May, 1998
Bega Valley Shire	28 May, 1998
Eurobodalla Shire	28 May, 1998
Tallaganda Shire	29 May, 1998
Coonabarabran Shire	25 June, 1998
Narrabri Shire	25 June, 1998
Coonamble Shire	26 June, 1998
Gilgandra Shire	26 June, 1998
<b>Total</b>	<b>26</b>

## Appendix 3 - Standards Used in Calculation of Expenditure Allowance 1998/99

State average net expenditure, excluding extremes, is based on 1996/97 Statement of Accounts, Special Schedule 1 (see footnote).

1.	Administration administration: corporate support; other support services	\$91.32
2.	Aerodromes transport & communication: aerodromes	\$1.67
3.	Aged Persons' Services community services & education: aged & disabled	\$1.47
4.	Animal Control public order & safety: animal control	\$1.03
5.	Building Control mining, manufacturing & construction: building control	\$2.71
6.	Cemeteries housing & community amenities: public cemeteries	\$0.48
7.	Children's Services health: immunisation community services & education: family day care; child care; other families & children	\$1.98
8.	Community Services community services & education: administration; education; migrant services; aboriginal services; youth services; other community amenities.	\$5.72
9.	Cultural Facilities recreation & culture: museums; art galleries; public halls; other cultural services	\$6.21
10.	Fire Control and Emergency Services public order & safety: fire protection; emergency services; statutory contributions to fire service levy	\$9.44

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## Appendix 3 - Standards Used in Calculation of Expenditure Allowance 1998/99

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11.	Health and Safety health: administration & inspection; food control; insect/vermin control; health centres; other health services housing & community amenities: public conveniences public order & safety: enforcement of local government regulations; other	\$10.24
12.	Libraries recreation & culture: public libraries	\$18.36
13.	Noxious Plants and Pest Control (per non-urban property) health: noxious plants	\$52.82
14.	Planning housing & community amenities: town planning	\$10.48
15.	Recreation public order & safety: beach control recreation & culture: community centres; swimming pools; sporting grounds; parks & gardens; other sport & recreation community services & education: youth services	\$49.24
16.	Stormwater Drainage and Flood Control (per urban property) housing & community amenities: environmental protection; urban stormwater drainage	\$20.44
17.	Street and Gutter Cleaning (per urban property) housing & community amenities: street cleaning	\$25.15
18.	Street Lighting (per urban property) transport & communication: street lighting	\$25.94

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## Appendix 3 - Standards Used in Calculation of Expenditure Allowance 1998/99

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19.	Maintenance - Urban Local Roads	
(a)	cost per length (km) of local roads in the urban/built up areas for which the council is financially responsible	\$5,847.38
(b)	urban length (m) per urban properties	12.75m
(c)	cost of maintenance of bridges and culverts per network km of roads	\$293.20
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20.	Maintenance - Sealed Rural Local Roads	
(a)	cost per length (km) of sealed local roads in the rural/non-built up areas for which the council is financially responsible	\$2,348.50
(b)	sealed rural length (m) per non-urban properties	224.17m
(c)	cost of maintenance of bridges and culverts per network km of roads	\$120.64
<hr/>		
21.	Maintenance - Unsealed Rural Local Roads	
(a)	cost per length (km) of unsealed local roads in the rural/non-built up areas for which the council is financially responsible	\$986.93
(b)	urban length (m) per non-urban properties	651.58m
(c)	cost of maintenance of bridges and culverts per network km of roads	\$39.48

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*Notes: Unless otherwise shown, costs are per capita  
Where councils failed to provide timely data, 1995/96 data was used.*

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# Appendix 4 - Summary of Formulae Used in the Calculation of Expenditure and Revenue Allowances

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## EXPENDITURE ALLOWANCES

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### General

Allowances for the majority of functions are calculated on the following general formula:

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

where:	Ac	=	allowance for the council for the expenditure function
	Nc	=	number of units to be serviced by council
	Es	=	standard expenditure per unit for the function
	Dc	=	disability for the council for function in percentage terms

The appropriate units of use for each function are shown in Appendix 3.

### Road length allowances

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

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

where:	Ac	=	allowance for road length allowance
	Nc	=	number of relevant properties for the council
	Es	=	standard cost per kilometre
	$\frac{Lc}{Nc}$	=	council's relevant length of road per relevant property
	$\frac{Ls}{Ns}$	=	standard relevant length of road per relevant property

### Isolation allowances

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

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

where:	Ac	=	the isolation allowance for each council
	Pc	=	the adjusted population for each council
	Dsc	=	the distance from each council's administrative centre to Sydney
	Dnc	=	the distance from each council's administrative centre to the nearest major urban centre
	Ic	=	the additional per capita allowance due to industrial award obligations (if applicable)

K1 and K2 are constants derived from regression analysis

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## Appendix 4 - Summary of Formulae Used in the Calculation of Expenditure and Revenue Allowances

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### Specific purpose payments

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

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

where: Gc = the specific purpose grant received by the council for the expenditure function  
Nc = number of units to be serviced by council  
Es = standard expenditure per unit for the function  
Ac = allowance for the council for the expenditure function

### REVENUE ALLOWANCES

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#### General

The general formula for the calculation of 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:

$$Ts = \frac{\textit{Sum of rateable values for all councils}}{\textit{Sum of number of properties for all councils}}$$

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

$$ts = \frac{\textit{Sum of general purpose revenue for all councils}}{\textit{Sum of rateable values of all councils}}$$

General purpose revenue includes net rates levied, ex gratia payments, garbage charges and pensioner subsidies.

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## Appendix 4 - Summary of Formulae Used in the Calculation of Expenditure and Revenue Allowances

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### 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:

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

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

The maximum value for rc is set at \$125 as this was the maximum compulsory rebate payable by councils per assessment in 1996/97.

*NB. Tc and ts are calculated as in the revenue allowances except only residential properties are used.*

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## Appendix 5 - Details of Calculation of Expenditure Disability Factors

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The accompanying notes provide details of the disabilities considered for each function under a series of headings. These are:

**Disability:** specifies the variable.

**Recognises:** explains the reason for including the disability and its relationship to the standardised council expenditure.

**Measure:** explains the basis on which the disability is assessed.

**Source:** the source of the data used in the measure.

**Standard:** the value with which individual council values are compared. It is usually the average value for the State.

**Weighting:** relates the variation in the disability to the estimated additional cost to that disability. The weightings have generally been determined by establishing a factor for the maximum disability based on a sample of councils and/or through discussion with appropriate organisations.

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### ADMINISTRATION

#### *ABORIGINAL AND/OR TORRES STRAIT ISLANDER*

**Recognises:** additional costs for councils with a significant aboriginal population.

**Measure:** proportion of the population Aboriginal and/or Torres Strait Islander.

**Source:** ABS, 1996 Census (Usual Residents Profile) No. 2722.1.

**Standard:** 1.69%

**Weighting:** 0.005

#### *NON-ENGLISH SPEAKING BACKGROUND*

**Recognises:** additional costs of information provision.

**Measure:** proportion of population born in non-English speaking countries.

**Source:** ABS, 1996 Census (Usual Residents Profile) Catalogue No. 2722.1.

**Standard:** 15.43%

**Weighting:** 0.05

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## Appendix 5 - Details of Calculation of Expenditure Disability Factors

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### *POPULATION DISTRIBUTION*

**Recognises:** costs of staff travel and duplication of services.

**Measure:** the larger of:

- (a) the sum of the population of centres greater than 200 multiplied by their distance from council headquarters(km) divided by the overall council population; or
- (b) according to population:

between 50,000 and 100,000	3.57
between 100,000 and 150,000	4.76
greater than 150,000	7.13.

**Source:** ABS, 1996 Census, Census Counts for Small Areas: New South Wales, ABS Web Site (Catalogue No. 2730.1.).

**Standard:** 2.38

**Weighting:** 0.006

### *POPULATION GROWTH*

**Recognises:** costs of senior staff involvement in negotiations with state agencies and the like.

**Measure:** annual average percentage change in population over the previous five years.

**Source:** Australian Bureau of Statistics (ABS), Population, New South Wales, 30 June 1997, No. 3234.1 and Estimated Resident Population of Statistical Local Areas New South Wales Preliminary at 30 June 1993, No. 3210.1.

**Standard:** 1.06%

**Weighting:** 0.011

### *SCALE*

**Recognises:** higher per capita costs of administration of councils with small populations.

**Measure:** a population based scale of 100 to 200 is used with councils whose population is greater than 20,000 receiving nil disability and those whose population is less than 5,000 receiving the maximum disability.

**Source:** ABS, Population, New South Wales, 30 June 1997, No. 3234.1.

**Standard:** 100

**Weighting:** 0.75

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## Appendix 5 - Details of Calculation of Expenditure Disability Factors

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### *SPARSITY*

<b>Recognises:</b>	additional costs due to large council areas.
<b>Measure:</b>	area (sq km) per 1,000 population.
<b>Source:</b>	ABS, Population, New South Wales, 30 June 1997, No. 3234.1.
<b>Standard:</b>	0.2965
<b>Weighting:</b>	0.009

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### *AERODROMES*

#### *NET EXPENDITURE - AERODROMES*

<b>Recognises:</b>	above average expenditure, which is generally beyond council control.
<b>Measure:</b>	adjusted net expenditure per capita averaged over 4 years.
<b>Source:</b>	Special Schedule 1, 1993, 1994/95, 1995/96, 1996/97; ABS, Population, New South Wales, 30 June 1997, No. 3234.1.
<b>Standard:</b>	\$1.67
<b>Weighting:</b>	1.0

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### *AGED PERSONS' SERVICES*

#### *AGED PERSONS*

<b>Recognises:</b>	additional need for services.
<b>Measure:</b>	proportion of the population aged 60 years and over.
<b>Source:</b>	ABS, Final Population Estimates by Sex by Age group by SLA 1996 on ASGC 96 (a).
<b>Standard:</b>	16.62%
<b>Weighting:</b>	1.0

#### *PENSIONERS*

<b>Recognises:</b>	additional council responsibility for aged services.
<b>Measure:</b>	proportion of the population receiving the aged pension, and mature age allowances.
<b>Source:</b>	Department of Social Security, Customers by Postcodes - June 1997, (Recipients of Pensions, Benefits and Family Payments in Postcodes).

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## Appendix 5 - Details of Calculation of Expenditure Disability Factors

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**Standard:** 12.16%

**Weighting:** 1.2

### *POPULATION DISTRIBUTION*

**Recognises:** costs of staff travel and duplication of services.

**Measure:** as for Administration.

**Source:** ABS, 1996 Census, Census Counts for Small Areas: New South Wales, ABS Web Site (Catalogue No. 2730.1.).

**Standard:** 2.38

**Weighting:** 0.002

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### **ANIMAL CONTROL**

#### *POPULATION DISTRIBUTION*

**Recognises:** costs of staff travel and duplication of services.

**Measure:** as for Administration.

**Source:** ABS, 1996 Census, Census Counts for Small Areas: New South Wales, ABS Web Site (Catalogue No. 2730.1.).

**Standard:** 2.38

**Weighting:** 0.07

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### **BUILDING CONTROL**

#### *BUILDING ACTIVITY*

**Recognises:** that expenditure is related to additional costs of inspection, certification, etc.

**Measure:** per capita estimate (R) based on a regression of expenditure on building regulation, number of building approvals for new dwellings per capita (a) and the total value of non-residential building approvals per capita (b). The formula is:  $R = 4.94 + 688.85a + 0.00125b$ .

**Source:** Special Schedule 1, 1996/97; ABS, Regional Statistics 1997, Catalogue No. 1304.1.

**Standard:** 10.25

**Weighting:** 1.0 (upper maximum DF of 100)

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## Appendix 5 - Details of Calculation of Expenditure Disability Factors

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### *NON-ENGLISH SPEAKING BACKGROUND*

<b>Recognises:</b>	additional costs of information provision.
<b>Measure:</b>	proportion of population born in non-English speaking countries.
<b>Source:</b>	ABS, 1996 Census (Usual Residents Profile) Catalogue No. 2722.1.
<b>Standard:</b>	15.43%
<b>Weighting:</b>	0.1

### *NON-RESIDENTIAL PROPERTIES*

<b>Recognises:</b>	greater complexity of processing development applications.
<b>Measure:</b>	number of urban properties which are classified as "business" per hundred of population.
<b>Source:</b>	Grants Commission return, 1996/97.
<b>Standard:</b>	2.22
<b>Weighting:</b>	0.123

### *POPULATION DISTRIBUTION*

<b>Recognises:</b>	costs of staff travel and duplication of services.
<b>Measure:</b>	as for Administration.
<b>Source:</b>	ABS, 1996 Census, Census Counts for Small Areas: New South Wales, ABS Web Site (Catalogue No. 2730.1.).
<b>Standard:</b>	2.38
<b>Weighting:</b>	0.02

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### *CEMETERIES*

#### *POPULATION DISTRIBUTION*

<b>Recognises:</b>	costs of staff travel and duplication of services.
<b>Measure:</b>	as for Administration.
<b>Source:</b>	ABS, 1996 Census, Census Counts for Small Areas: New South Wales, ABS Web Site (Catalogue No. 2730.1.).
<b>Standard:</b>	2.38
<b>Weighting:</b>	0.015

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# Appendix 5 - Details of Calculation of Expenditure Disability Factors

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## CHILDREN'S SERVICES

### *POPULATION DISTRIBUTION*

<b>Recognises:</b>	costs of staff travel and duplication of services.
<b>Measure:</b>	as for Administration.
<b>Source:</b>	ABS, 1996 Census, Census Counts for Small Areas: New South Wales, ABS Web Site (Catalogue No. 2730.1.).
<b>Standard:</b>	2.38
<b>Weighting:</b>	0.001

### *PRE-SCHOOL CHILDREN*

<b>Recognises:</b>	additional need for services targeted at this age group which makes up the bulk of local government involvement in children's services.
<b>Measure:</b>	proportion of the population in 0-4 years age group.
<b>Source:</b>	ABS, Final Population Estimates by Sex by Age group by SLA 1996 on ASGC 96 (a).
<b>Standard:</b>	7.08%
<b>Weighting:</b>	1.0

### *SINGLE PARENT FAMILIES*

<b>Recognises:</b>	additional need for child care and the like.
<b>Measure:</b>	proportion of families classified as "head and dependents only", "head, dependents, and other related offspring", "head, dependents, other offspring, and other related individuals", and "head, dependents and other related individuals".
<b>Source:</b>	ABS, Census 1991.
<b>Standard:</b>	8.7%
<b>Weighting:</b>	0.815

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## COMMUNITY SERVICES

### *ABORIGINAL AND/OR TORRES STRAIT ISLANDER*

<b>Recognises:</b>	additional costs for councils with a significant aboriginal population.
<b>Measure:</b>	proportion of the population Aboriginal and/or Torres Strait Islander.
<b>Source:</b>	ABS, 1996 Census (Usual Residents Profile) No. 2722.1.
<b>Standard:</b>	1.69%
<b>Weighting:</b>	0.116

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## Appendix 5 - Details of Calculation of Expenditure Disability Factors

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### *NON-ENGLISH SPEAKING BACKGROUND*

<b>Recognises:</b>	additional costs of information provision.
<b>Measure:</b>	proportion of population born in non-English speaking countries.
<b>Source:</b>	ABS, 1996 Census (Usual Residents Profile) Catalogue No. 2722.1.
<b>Standard:</b>	15.43%
<b>Weighting:</b>	0.175

### *OCCUPATION*

<b>Recognises:</b>	additional council responsibility for community services in areas of low socio-economic status.
<b>Measure:</b>	proportion of the employed persons in lower socioeconomic occupational groups.
<b>Source:</b>	ABS, 1996 Census (Usual Residents Profile) Catalogue No. 2722.1.
<b>Standard:</b>	25.42%
<b>Weighting:</b>	0.75

### *PENSION AND BENEFIT RECIPIENTS*

<b>Recognises:</b>	low income persons as a target group for community services.
<b>Measure:</b>	proportion of the population receiving social security pensions.
<b>Source:</b>	Department of Social Security, Customers by Postcodes - June 1997, (Recipients of Pensions, Benefits and Family Payments in Postcodes).
<b>Standard:</b>	25.31%
<b>Weighting:</b>	0.965

### *POPULATION DISTRIBUTION*

<b>Recognises:</b>	costs of staff travel and duplication of services.
<b>Measure:</b>	as for Administration.
<b>Source:</b>	ABS, 1996 Census, Census Counts for Small Areas: New South Wales, ABS Web Site (Catalogue No. 2730.1.).
<b>Standard:</b>	2.38
<b>Weighting:</b>	0.001

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## Appendix 5 - Details of Calculation of Expenditure Disability Factors

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### *YOUTH*

<b>Recognises:</b>	youth as a target group for community services.
<b>Measure:</b>	proportion of population in the 15-24 years age group.
<b>Source:</b>	ABS, Final Population Estimates by Sex by Agegroup by SLA 1996 on ASGC 96 (a).
<b>Standard:</b>	14.28%
<b>Weighting:</b>	0.2

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### **CULTURAL FACILITIES**

#### *DUPLICATION OF HALLS*

<b>Recognises:</b>	the additional costs related to the provision of facilities in a number of centres of less than optimum population size.
<b>Measure:</b>	number of licensed halls multiplied by the standard net loss per hall divided by the LGA population for non-metropolitan councils.
<b>Source:</b>	Grants Commission Return, 1996/97; Special Schedule 1, 1996/97; ABS, Population, New South Wales, 30 June 1997, No. 3234.1
<b>Standard:</b>	2.13
<b>Weighting:</b>	0.1 (upper maximum of DF 25)

#### *NON-RESIDENT USE - CULTURAL FACILITIES*

<b>Recognises:</b>	additional cost of the provision of higher order facilities in regional centres.
<b>Measure:</b>	major regional centres receive a score of 50 based on sampling; other regional centres receive less than 50 based on Commission assessments.
<b>Source:</b>	Grants Commission return, 1996/97.
<b>Standard:</b>	100
<b>Weighting:</b>	1.0

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# Appendix 5 - Details of Calculation of Expenditure Disability Factors

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## FIRE CONTROL AND EMERGENCY SERVICES

### *FLOOD BOATS*

- Recognises:** requirement for flood rescue in non-urban areas.
- Measure:** number of SES registered flood boats per thousand of population.
- Source:** Grants Commission return, 1996/97.
- Standard:** 0.056
- Weighting:** 0.026

### *FLOOD PRONE BUILDINGS*

- Recognises:** flood rescue as the major area of SES expenditure.
- Measure:** number of buildings subject to mainstream flooding (1 in 100 years) per thousand of population.
- Source:** Grants Commission return, 1996/97.
- Standard:** 16.48
- Weighting:** 0.027

### *SUBSIDISED BUSHFIRE EXPENDITURE*

- Recognises:** the relative need for expenditure as assessed by an independent body.
- Measure:** average grant from the Bush Fire Council for a five year period, per capita. (1993/94 - 1997/98).
- Source:** Bush Fire Council of NSW, Annual Reports, 1993/94, 1994/95, 1995/96. 1996/97, 1997/98 data by special request.
- Standard:** 9.05
- Weighting:** 0.5 (upper maximum DF of 1,500)

### *URBAN FIRE LEVY*

- Recognises:** payment of this levy is the major local government expenditure in this area.
- Measure:** levy to the Board of Fire Commissioners per capita.
- Source:** by special request to the NSW Fire Brigade's, 1997/98.
- Standard:** 5.11
- Weighting:** 0.45

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# Appendix 5 - Details of Calculation of Expenditure Disability Factors

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## HEALTH AND SAFETY

### *FOOD PREMISES*

- Recognises:** additional inspection costs in areas with high proportions of food premises.
- Measure:** proportion of food premises per thousand of population.
- Source:** Grants Commission return, 1996/97; ABS, Population, New South Wales, 30 June 1997, No. 3234.1.
- Standard:** 5.83
- Weighting:** 0.751 (upper maximum DF of 110)

### *NON-ENGLISH SPEAKING BACKGROUND*

- Recognises:** population of non-English speaking backgrounds as a target group for health services.
- Measure:** proportion of population born in non-English speaking countries.
- Source:** ABS, 1996 Census (Usual Residents Profile) Catalogue No. 2722.1.
- Standard:** 15.43%
- Weighting:** 0.1

### *POPULATION DISTRIBUTION*

- Recognises:** costs of staff travel and duplication of services.
- Measure:** as for Administration.
- Source:** ABS, 1996 Census, Census Counts for Small Areas: New South Wales, ABS Web Site (Catalogue No. 2730.1.).
- Standard:** 2.38
- Weighting:** 0.015

### *PUBLIC TOILETS*

- Recognises:** significant variation in Council expenditure is related to non-resident use.
- Measure:** score based on expenditure and Commission's assessment of need to provide public toilets.
- Source:** Grants Commission return, 1996/97; Special Schedule 1, 1996/97.
- Standard:** 100
- Weighting:** 0.204

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## Appendix 5 - Details of Calculation of Expenditure Disability Factors

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### *VANDALISM AND CRIME*

<b>Recognises:</b>	additional costs associated with repairing damage to public property.
<b>Measure:</b>	the ranking of total incidents to the population of the Local Government Area.
<b>Source:</b>	NSW Bureau of Crime Statistics and Research, data by special request, 1995.
<b>Standard:</b>	1.17%
<b>Weighting:</b>	0.022

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### **LIBRARIES**

#### *AGED PERSONS*

<b>Recognises:</b>	additional cost of providing specialist services and materials.
<b>Measure:</b>	proportion of the population aged 60 years and over.
<b>Source:</b>	ABS, Final Population Estimates by Sex by Age group by SLA 1996 on ASGC 96 (a).
<b>Standard:</b>	16.62%
<b>Weighting:</b>	0.26

#### *NON-ENGLISH SPEAKING BACKGROUND*

<b>Recognises:</b>	additional costs of information provision.
<b>Measure:</b>	proportion of population born in non-English speaking countries.
<b>Source:</b>	ABS, 1996 Census (Usual Residents Profile) Catalogue No. 2722.1.
<b>Standard:</b>	15.43%
<b>Weighting:</b>	0.125

#### *NON-RESIDENT BORROWERS*

<b>Recognises:</b>	additional cost of providing services for non-residents.
<b>Measure:</b>	percentage of non-resident borrowers plus 100.
<b>Source:</b>	Grants Commission return, 1995/96; State Library of NSW, Public Library Statistics, January - June 1994, May 1995.
<b>Standard:</b>	107.23
<b>Weighting:</b>	1.225

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## Appendix 5 - Details of Calculation of Expenditure Disability Factors

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### *POPULATION DISTRIBUTION*

<b>Recognises:</b>	costs of staff travel and duplication of services.
<b>Measure:</b>	as for Administration.
<b>Source:</b>	ABS, 1996 Census, Census Counts for Small Areas: New South Wales, ABS Web Site (Catalogue No. 2730.1.).
<b>Standard:</b>	2.38
<b>Weighting:</b>	0.018

### *STUDENTS - FULL TIME*

<b>Recognises:</b>	students as a major user group of library services.
<b>Measure:</b>	proportion of the population attending an educational institution full time.
<b>Source:</b>	ABS 1996 Census (Usual Residents Profile) Catalogue No. 2722.1.
<b>Standard:</b>	19.53%
<b>Weighting:</b>	0.195

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### *PLANNING*

#### *DEVELOPMENT ACTIVITY*

<b>Recognises:</b>	additional costs in development control.
<b>Measure:</b>	per capita estimate (R) based on a regression of expenditure on planning, number of building approvals for new dwellings per capita (a) and the total value of non-residential building approvals per capita (b). Formula is $R = 4.15 + 872.75a + 0.003b$ .
<b>Source:</b>	Special Schedule 1, 1996/97; ABS, Regional Statistics 1997, Catalogue No. 1304.1.
<b>Standard:</b>	11.57
<b>Weighting:</b>	0.75 (upper maximum DF of 100)

#### *HERITAGE/ENVIRONMENT*

<b>Recognises:</b>	additional costs due to greater complexity in plan preparation and development control.
<b>Measure:</b>	councils are divided into 5 categories on the basis of heritage considerations and environmentally sensitive areas, as assessed by the Commission (extreme 20%, very high 15%, high 10%, above average 5%, average and below 0).
<b>Source:</b>	Grants Commission in consultation with the Heritage Council and Environmental Protection Authority, 1993.
<b>Standard:</b>	1.0
<b>Weighting:</b>	0.05

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## Appendix 5 - Details of Calculation of Expenditure Disability Factors

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### *HERITAGE PROPERTIES*

<b>Recognises:</b>	additional complexities of assessing designated developments under the Environmental Planning and Assessment Act.
<b>Measure:</b>	number of properties affected by environmental heritage provisions (excluding “natural items”) per hundred of population.
<b>Source:</b>	Grants Commission return, 1996/97.
<b>Standard:</b>	0.466
<b>Weighting:</b>	0.05 (upper maximum DF of 11.5)

### *NON-ENGLISH SPEAKING BACKGROUND*

<b>Recognises:</b>	additional costs of information provision.
<b>Measure:</b>	proportion of population born in non-English speaking countries.
<b>Source:</b>	ABS, 1996 Census (Usual Residents Profile) Catalogue No. 2722.1.
<b>Standard:</b>	15.43%
<b>Weighting:</b>	0.05

### *NON-RESIDENTIAL URBAN PROPERTIES*

<b>Recognises:</b>	greater complexity of processing development applications.
<b>Measure:</b>	number of urban properties which are classified as “business” per hundred of population.
<b>Source:</b>	Grants Commission return, 1996/97.
<b>Standard:</b>	2.22
<b>Weighting:</b>	0.21

### *POPULATION DISTRIBUTION*

<b>Recognises:</b>	costs of staff travel and duplication of services.
<b>Measure:</b>	as for Administration.
<b>Source:</b>	ABS, 1996 Census, Census Counts for Small Areas: New South Wales, ABS Web Site (Catalogue No. 2730.1.).
<b>Standard:</b>	2.38
<b>Weighting:</b>	0.016

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# Appendix 5 - Details of Calculation of Expenditure Disability Factors

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## *POPULATION GROWTH*

<b>Recognises:</b>	additional cost of forward planning in high growth areas.
<b>Measure:</b>	annual average percentage change in population over the previous five years.
<b>Source:</b>	ABS, Population, New South Wales, 30 June 1997, No. 3234.1 and Estimated Resident Population of Statistical Local Areas New South Wales Preliminary at 30 June 1993, No. 3210.1.
<b>Standard:</b>	1.06%
<b>Weighting:</b>	0.07

## *REGIONAL CENTRES AND SECONDARY CBD'S*

<b>Recognises:</b>	additional costs of forward planning generally related to non-resident use.
<b>Measure:</b>	range of disabilities between 0 and 24 recognising extra planning extra planning expenditure necessary, as assessed by the Commission.
<b>Source:</b>	Grants Commission.
<b>Standard:</b>	100
<b>Weighting:</b>	1.0

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## RECREATION

### *AGE STRUCTURE*

<b>Recognises:</b>	additional need for facilities due to a high proportion of population in the sport-playing age group.
<b>Measure:</b>	proportion of the population in the 5-29 years age group.
<b>Source:</b>	ABS, Final Population Estimates by Sex by Age group by SLA 1996 on ASGC 96 (a).
<b>Standard:</b>	35.96%
<b>Weighting:</b>	1.0

### *BEACH LIFESAVING*

<b>Recognises:</b>	cost of additional facilities associated with beaches, principally lifesavers.
<b>Measure:</b>	ocean-front, bay-side and harbour-side councils score a disability in the range 0-25 as determined by the Commission.
<b>Source:</b>	Grants Commission.
<b>Standard:</b>	100
<b>Weighting:</b>	1.0

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## Appendix 5 - Details of Calculation of Expenditure Disability Factors

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### *CLIMATE MEASURE*

- Recognises:** additional costs in watering on low rainfall areas and the cost of mowing in high rainfall areas.
- Measure:** (a) low rainfall - the difference between the council's annual average rainfall (mm) and NSW highest rainfall (1898 mm); and  
(b) high rainfall - councils with rainfall above 1330mm receive 5% disability.
- Source:** Bureau of Meteorology, Rainfall Statistics, Australia, 1977. (Minimum 30 year observations)
- Standard:** a) 898 b) 0
- Weighting:** a) 0.277 b) N/A

### *DUPLICATION OF PLAYING FIELDS*

- Recognises:** additional costs related to the provision of facilities in a number of centres of less than optimum population size.
- Measure:** index based on the per capita area of playing fields that should be provided taking each centre above 1,000 population in turn.
- Source:** Based on Research Study 1, Sydney Region Open Space Survey, NSW Planning and Environment Commission, 1975.
- Standard:** 1.12
- Weighting:** 0.46

### *DUPLICATION OF POOLS*

- Recognises:** additional costs related to the provision of facilities in a number of centres of less than optimum population size.
- Measure:** number of pool complexes operated by council multiplied by the standard net loss per pool divided by population.
- Source:** Grants Commission return, 1996/97; Special Schedule 1; ABS, Population, New South Wales, 30 June 1997, No. 3234.1.
- Standard:** 4.40
- Weighting:** 0.07

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## Appendix 5 - Details of Calculation of Expenditure Disability Factors

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### *NON-RESIDENT USE - RECREATION*

- Recognises:** costs of additional services required in regional and tourist centres.
- Measure:** index generally in range 100-190 determined by the Commission based on a sampling of councils.
- Source:** Grants Commission.
- Standard:** 100
- Weighting:** 1.0

### *NON-URBAN MEASURE*

- Recognises:** cost advantages of councils whose residents have the opportunity to use facilities provided in adjacent centres.
- Measure:** index in a range 50-100 determined by the Commission based on a sampling of councils (negatives are calculated).
- Source:** Grants Commission.
- Standard:** 100
- Weighting:** 1.0

### *POPULATION DISTRIBUTION*

- Recognises:** cost of staff travel and duplication of services.
- Measure:** as for Administration.
- Source:** ABS, Population, New South Wales, 30 June 1997, No. 3234.1.
- Standard:** 2.38
- Weighting:** 0.003

### *URBAN DENSITY*

- Recognises:** additional maintenance costs of facilities in densely populated areas.
- Measure:** population divided by the total area of LGA in square kilometres.
- Source:** Population, New South Wales, 30 June 1997, No. 3234.1.
- Standard:** 1,250
- Weighting:** 0.2 (upper maximum DF of 22.5)

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# Appendix 5 - Details of Calculation of Expenditure Disability Factors

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## STORMWATER DRAINAGE AND FLOOD CONTROL

### *FLOOD PRONE URBAN BUILDINGS*

- Recognises:** need for expenditure is proportional to the number of flood prone buildings.
- Measure:** based on the number of flood prone urban buildings subject to mainstream flooding (1 in 100 years) as a proportion of the total urban properties.
- Source:** Grants Commission return, 1996/97.
- Standard:** 1.0
- Weighting:** 2.25

### *LEVEE MEASURE*

- Recognises:** expenses incurred during construction and maintenance of levee banks.
- Measure:** number of metres of levee banks per urban property.
- Source:** Grants Commission return, 1996/97.
- Standard:** 0.193
- Weighting:** 0.01

### *STORMWATER DRAINAGE INDEX*

- Recognises:** variation in cost of construction and maintenance related to a number of variables considered to be most significant.
- Measure:** index provided by consultants after studying rainfall, urban land use and impervious area, ground slope, associated construction costs, soil and geology, and the age of the stormwater system.
- Source:** Stormwater drainage return, 1987.
- Standard:** 1.0
- Weighting:** 1.885

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## STREET AND GUTTER CLEANING

### *NON-RESIDENTIAL URBAN PROPERTIES*

- Recognises:** increased amounts of litter collected from commercial areas.
- Measure:** proportion of urban properties, which are classified as "business".
- Source:** Grants Commission return, 1996/97.
- Standard:** 6.06%
- Weighting:** 0.89 (upper maximum DF of 100)

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## Appendix 5 - Details of Calculation of Expenditure Disability Factors

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### *URBAN DENSITY*

<b>Recognises:</b>	additional maintenance costs of facilities in densely populated areas.
<b>Measure:</b>	population divided by the total area of LGA in square kilometres.
<b>Source:</b>	Population, New South Wales, 30 June 1997, No. 3234.1.
<b>Standard:</b>	1,250
<b>Weighting:</b>	0.2 (upper maximum DF of 40)

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### **STREET LIGHTING**

#### *NET EXPENDITURE – STREET LIGHTING*

<b>Recognises:</b>	additional expenditure largely beyond the control of individual councils.
<b>Measure:</b>	adjusted net expenditure per urban property averaged over 3 years.
<b>Source:</b>	Grants Commission returns, 1994/95; Special Schedule 1, 1995/96, 1996/97.
<b>Standard:</b>	100
<b>Weighting:</b>	1.0

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### **NOXIOUS PLANTS AND PEST CONTROL**

#### *INFESTATION*

<b>Recognises:</b>	increased costs in areas of high weed infestation.
<b>Measure:</b>	a disability factor determined by the Commission based on a Noxious Plant Advisory Board index.
<b>Source:</b>	Division of Plant Industries, Department of Agriculture, 1997, data by special request; Grants Commission.
<b>Standard:</b>	0
<b>Weighting:</b>	N/A

#### *TERRAIN*

<b>Recognises:</b>	additional costs related to access and constraints on using machinery in mountainous areas.
<b>Measure:</b>	disability factors based on the proportion of council areas classified “mountainous” or “hilly”.
<b>Source:</b>	CSIRO, P Laut, D Firth and TA Paine, Provisional environmental regions of Australia; A working document towards a framework for Australian environmental statistics, Volume 1: The Regions, & Volume 2: Attributes of Local Government Areas, 1980.
<b>Standard:</b>	0
<b>Weighting:</b>	N/A

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# Appendix 6 - National Principles for the Allocation of General Purpose and Local Road Grants

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A. The National Principles relating to the allocation of general purpose grants payable under Section 9 of the Local Government (Financial Assistance) Act 1995 (the Act) among local governing bodies are as follows:

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1. **Horizontal Equalisation**

General purpose grants 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 that each local governing body in the State/Territory is able to function, by reasonable effort, at a standard not lower than the average standard of other local governing bodies in the State. It takes account of differences in the expenditure required by those local governing bodies in the performance of their functions and in the capacity of those local governing bodies to raise revenue.

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2. **Effort Neutrality**

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

---

3. **Minimum Grant**

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% of the total amount of general purpose grants 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.

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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.

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5. **Aboriginal Peoples and Torres Strait Islanders**

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

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B. The National Principle relating to the 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:

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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 usage of roads in each local governing area.

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# Appendix 7 - General Purpose Component Distribution Principles in Accordance with the Local Government (Financial Assistance) Act, 1995

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

The agreed principles are:

- 
1. general purpose grants to local governing bodies will be allocated as far as practicable on a full equalisation basis as defined in the Local Government (Financial Assistance) Act, 1995; 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.

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  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.

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  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.

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  4. revenue allowances may be discounted to achieve equilibrium with expenditure allowances.

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  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.

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  6. expenditure allowances will be discounted to take account of specific purpose grants.

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  7. additional costs associated with non-resident use of services and facilities will be recognised in determining expenditure allowances.

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  8. in the event of council amalgamations, the new council will receive grants for two years as if the councils had remained separate entities and any subsequent change may be phased in at the discretion of the Commission.
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# Appendix 8 - Local Roads Component Distribution Principles in Accordance with the Local Government (Financial Assistance) Act, 1995

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These principles, consistent with the National Principles of the Local Government (Financial Assistance) Act 1995, were adopted in consultation with local government. The principles are based on a local road funding formula developed by the Roads and Traffic Authority under the provisions of the former Australian Centennial Roads Development Act, 1988.

The agreed principles are:

Financial Assistance which is made available as an identified local roads component of Local Government Financial Assistance shall be allocated so as to provide Aboriginal communities equitable treatment in regard to their access and internal local roads 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

27.54% to local roads in urban areas.

72.46% to local roads in rural areas.

4. Local Roads Grant in Urban Areas

Funds will be allocated:

- (a) 5% distributed to individual Councils on the basis of bridge length.
- (b) 95% distributed to Councils on the basis of:
  - (i) 60% distributed on length of roads.
  - (ii) 40% distributed on population.

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## Appendix 8 - Local Roads Component Distribution Principles in Accordance with the Local Government (Financial Assistance) Act, 1995

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### 5. Local Roads Grant in Rural Areas

Funds will be allocated:

- (a) 7% distributed to individual Councils on the basis of bridge length.
- (b) 93% distributed to Councils on the basis of:
  - (i) 80% distributed on length of roads.
  - (ii) 20% distributed on population.
- (c) The amount calculated in 5(a) and (b) is to be adjusted by an amount necessary to prevent a council's total recommended allocation being reduced by not more than ten per cent, when compared with their previous year's CPI adjusted total entitlement, where such a reduction is principally the result of the "limits clause" provisions of the principles of the Australian Centennial Roads Development Act, 1988.

### 6. Population shall be based on the most up-to-date Estimated Resident Population figures available from the Australian Bureau of Statistics.

Road length shall be based on the most up-to-date data available to the Local Government Grants Commission of NSW for formed roads, which are Councils' financial responsibility.

Bridge length shall be based on the most up-to-date data available to the Local Government Grants Commission of NSW 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 NSW Local Government Grants Commission and the Local Government and Shires Associations of NSW.

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# Appendix 9 - 1997/98 Road and Bridge Length Audit Summary Report

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## BACKGROUND

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The Grants Commission began a program of council road and bridge length audits during 1992/93. The audits stemmed from the decision of the 1990 Special Premiers' Conference to untie the local roads grants and pay them as part of the general purpose grant program. This decision moved the responsibility for the administration of the funding from the RTA to the Grants Commission. The Commission was most concerned at the quality of data being collected for councils, when compared with RTA data.

A former RTA/council engineer was contracted by the Commission to undertake the audits. The auditor was selected on the basis of a recommendation by the NSW Institute of Municipal Engineers.

- eight councils were audited during 1992/93
- eleven in 1993/94 (including 3 follow-ups to the 92/93 audits)
- eight in 1994/95 (including 1 follow-up)
- nine in 1995/96
- seven in 1996/97
- seven this year

The audit program is likely to continue in 1998/99.

## THE PROJECT

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The project task was to evaluate the quality of road and bridge length data for selected councils.

### Summary of 1998 Audit Results

The auditor found that:

- the general standard of road data was good to very good
- the quality of bridge data was generally of a lower standard than road data

Audits took from 16 to 20 hours. The time taken was closely related to the physical size of the council area.

The auditor reported that all of the councils audited had some form of computerised database in place. These ranged from sophisticated pavement management systems to simple spreadsheet applications. Not all systems included bridge data, however most of the councils audited had relatively few bridges.

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## Appendix 9 - 1997/98 Road and Bridge Length Audit Summary Report

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The auditor found that all of the councils had at least one officer specialising in asset management. In most cases this officer was a qualified engineer. The majority of councils had provided reasonable training in the use of the asset management system.

As in previous years, the auditor reported that roads, being councils' major asset, generally received greater attention than bridges. The data being compiled by councils was used principally for valuation purposes in accordance with the requirements of the Local Government Act.

The auditor found that many reporting errors were the result of councils not following the guidelines issued with the data returns. However, most of the data variations were not significant. This indicated a general improvement in road data, compared to results in previous years. A number of councils were reviewing their road networks with the aid of accurate and reliable equipment in an endeavour to improve the accuracy of reporting. None of the councils audited were found to be using out-of-date, historical data.

All of the rural councils audited had in place rural addressing schemes. These were of considerable assistance in compiling more accurate data.

All councils viewed the audit in a positive light and were receptive to advice on improvement of their systems. A number of councils actively sought information and assistance on improvements to their systems and indicated they would be investigating ways to make the systems more accurate and functional in the future.

## Appendix 10 - 1997 Information Data Returns

The New South Wales Local Government Grants Commission would like to extend its sincere thanks to all those local governments bodies that submitted their 1997 Information Data Returns by the due date of 30 November 1997 and thereby facilitated the timely determination of grants.

**121 Councils submitted their General Return by the due date:**

Albury	Crookwell	Kyogle	Shoalhaven
Armidale	Culcairn	Lachlan	Singleton
Ashfield	Deniliquin	Lake Macquarie	Strathfield
Balranald	Drummoyne	Leichhardt	Sutherland
Bathurst	Dubbo	Lismore	Tamworth
Bega Valley	Dungog	Lithgow	Temora
Bellingen	Eurobodalla	Liverpool	Tumut
Berrigan	Forbes	Lockhart	Tweed
Bingara	Glen Nines	Maitland	Ulmarra
Blacktown	Gloucester	Manilla	Uralla
Bland	Gosford	Marrickville	Urana
Blayney	Goulburn	Mosman	Wakool
Bogan	Great Lakes	Mudgee	Walcha
Bombala	Griffith	Mulwaree	Warren
Boorowa	Gundagai	Murray	Warringham
Bourke	Gunnedah	Murrurundi	Waverley
Brewarrina	Gunning	Muswellbrook	Weddin
Broken Hill	Guyra	Nambucca	Wellington
Cabonne	Harden	Narrandera	Wentworth
Camden	Hastings	Orange	Willoughby
Canterbury	Hawkesbury	Parkes	Windouran
Casino	Hay	Parramatta	Wingecarribee
Cessnock	Holroyd	Penrith	Wollongong
Conargo	Hornsby	Pittwater	Woolahra
Coolamon	Hume	Randwick	Wyong
Cooma-Monaro	Hunters Hill	Rockdale	Yarrowlumla
Coonabarabran	Hurstville	Ryde	Yass
Coonamble	Inverell	Rylstone	Young
Cootamundra	Kempsey	Scone	
Corowa	Kiama	Severn	
Cowra	Ku-Ring-Gai	Shellharbour	

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## Appendix 10 - 1997 Information Data Returns

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114 Councils submitted their Roads and Bridges Return by the due date:

Albury	Cessnock	Gunnedah	Mudgee	Tamworth
Armidale	Conargo	Gunning	Murray	Temora
Ashfield	Coolah	Guyra	Murrurundi	Tumut
Ballina	Coolamon	Harden	Muswellbrook	Tweed
Balranald	Cooma-Monaro	Hawkesbury	Nambucca	Ullmarra
Bathurst	Coonabarabran	Hay	Narrabri	Uralla
Bega Valley	Coonamble	Holroyd	Narrandera	Urana
Bellingen	Cootamundra	Hornsby	Nundle	Wakool
Berrigan	Corowa	Hume	Oberon	Warren
Bingara	Crookwell	Hunters Hill	Orange	Warringah
Blacktown	Culcairn	Hurstville	Parkes	Waverley
Bland	Deniliquin	Inverell	Parramatta	Weddin
Blayney	Drummoyne	Kempsey	Penrith	Willoughby
Bogan	Dungog	Kiama	Pittwater	Windouran
Bombala	Forbes	Kyogle	Rockdale	Wingecarribee
Boorowa	Gilgandra	Lachlan	Ryde	Wollongong
Bourke	Glen Innes	Lake Macquarie	Rylstone	Wyong
Brewarrina	Gloucester	Leichhardt	Scone	Young
Broken Hill	Gosford	Lithgow	Severn	
Burwood	Goulburn	Liverpool	Shoalhaven	
Cabonne	Grafton	Lockhart	Singleton	
Camden	Great Lakes	Manilla	South Sydney	
Canterbury	Griffith	Manly	Strathfield	
Casino	Gundagai	Mosman	Sutherland	

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# Glossary

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## **Cash payment**

The cash payment is the amount the Council will receive in a year. The cash payment is the estimated entitlement for a year plus or minus adjustments for under or overpayments in the previous year. Cash payments are made by way of quarterly instalments commencing not before 15 August each year.

## **Disability**

Any influence, beyond a council's control, which would lead it to spend more (or less) per unit than the State average to provide the average level of service.

## **Disability factor**

A measure of the underlying influence on a council's expenditure which produces a disability, expressed as a percentage of the State average.

## **Effort neutral**

The assessment of a financial assistance grant is effort neutral when it neither rewards or penalises a council where expenditure or revenue raising patterns vary from the State average because of differences in policy, efficiency or the levels of self help.

## **Effort positive**

The assessment of a financial assistance grant is effort positive when it rewards or penalises a council where expenditure or revenue raising patterns vary from the State average because of differences in policy, efficiency or the levels of self help.

## **Equalisation component**

See general purpose component.

## **Estimated entitlement**

The estimated entitlement for financial assistance grants is based on Commonwealth estimates of the annual Consumer Price Index movements (March to March) and the states' population shares (see Section 9 of the Commonwealth Act for further details).

## **Exclusion method**

The exclusion from the calculation of a council's financial assistance grant of all assessed expenditure linked to Commonwealth or State specific purpose funding.

## **Financial assistance grant**

Refers to payments made under the Local Government (Financial Assistance) Act 1995. The payments consist of two components: a general purpose component and a local roads component. However, the payments are made unconditionally to local government. That is, councils can spend the funds according to their own locally determined priorities.

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# Glossary

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## **Function**

A function is a service provided by the majority of councils which is assessed by the Commission in order to calculate a council's financial assistance grant. For example, libraries, planning, and health and safety are referred to as functions.

## **General purpose component (Equalisation component)**

That part of the financial assistance grant component which is determined by the Commission on the basis of horizontal equalisation principles.

## **Horizontal equalisation**

The objective of the grants is to ensure that each council is able to function, by reasonable effort, at a standard not lower than the average standard of other local governing bodies in the State. The calculation takes into account the differences in expenditure required in performing its functions and in the capacity to raise revenue.

## **Inclusion method**

The inclusion of all assessed expenditure in the council's financial assistance grant, including that related to Commonwealth and State specific purpose funding.

## **Local Government Grants Commission**

In each State and the Northern Territory, Local Government Grants Commissions have been established under State and Territory jurisdiction to provide recommendations on the distribution of the available general purpose and local roads component grants to councils in that State/Territory.

## **Local roads component**

That part of the financial assistance grant which is determined by the Commission for local roads. This is separate from the calculation of standardised expenditure for local roads within the general purpose component of a council's financial assistance grant. The payment was formerly made as a tied grant and became untied from 1991-92.

## **Overpayments and underpayments**

These occur when the actual Consumer Price Index (CPI) and states' population shares differ from the forward estimates upon which the estimated entitlement was based. The Commonwealth determines these differences and adjustments are made to the following year's cash payments. For example: if the Commonwealth estimated a CPI increase of 4% and the actual final figure is below 4%, then an overpayment occurs; if the final figure is above 4% then an underpayment occurs.

## **Per capita minimum**

This is the minimum entitlement for each council's financial assistance grant. The amount is based on 30 per cent of available funds in each State being distributed on a per capita basis. This entitlement only becomes effective when a council's grant based on the horizontal equalisation calculation falls below this minimum entitlement.

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# Glossary

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## **Specific purpose grant**

Payments made by Commonwealth or State governments to a council for a specific purpose. Such specific purpose grants usually require a council to meet conditional arrangements in order to receive a grant.

## **Standard cost**

A weighted average of unit costs, excluding extremes, results in the standard cost.

## **Standardised revenue and expenditure**

This is the assessed (rather than the actual) revenue and expenditure for each council determined by the Commission as required for horizontal equalisation purposes, which takes into account each council's expenditure needs, revenue raising capacity, and disabilities.

## **Unit cost**

Commission identified recurrent expenditure for a function for a council divided by that council's appropriate number of units.

## **Units**

This is the term used to describe the number of appropriate units to be serviced in the provision of any particular function. Units may be population, the number of urban properties, non-urban properties, length of road, and bridge length.