

New South Wales

Local Government Grants Commission

Annual Report 1998/1999



The Hon Harry Woods MP

NSW LOCAL GOVERNMENT GRANTS COMMISSION

Annual Report 1998/1999

The Hon. Harry Woods 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, 1999 and including the Commission's recommendations for the distribution of financial assistance grants for 1999/2000.

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, 1998/1999.

Yours faithfully

A handwritten signature in cursive script, appearing to read 'B. Armitage'.

Cr Barbara Armitage
Chairperson

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Foreword

I am pleased to present this report on behalf of the Grants Commission.

The year began with speculation about the future of local government financial assistance grants (FAGs). Under proposed inter-governmental fiscal arrangements accompanying the Commonwealth's tax reform process, the States were to receive GST revenue in place of state and local government FAGs. However, under changes to the tax package announced in May 1999 the Commonwealth now retains responsibility for the paying of FAGs to local government.

With respect to the 1999/2000 grant recommendations there has been a general "flattening" of the outcomes compared to previous years. One hundred and sixty (160) of the State's one hundred and eighty (180) local authorities (including the Lord Howe Island Board and the Silverton and Tibooburra Village Committees) received increases in their total grant – last year one hundred and forty (140) received increases.

In this context, I would point out that the Commission applies maximum variations to the general purpose component of the grants. This approach is taken in an endeavour to maintain stability in the grant outcomes, which would otherwise be distorted by significant data variations and the use of some poor quality data. For example, property valuations ranged from increases of up to sixty per cent for some council areas to reductions of almost twenty per cent for others, and despite the three-year averaging of the property values, movements of this magnitude have a considerable affect on grant outcomes. Similarly, councils' reported lengths of local roads ranged from increases of up to 75 km to reductions of as much as 150 km.

I am pleased to report an improvement in the timeliness for the lodging by councils of the Commission's two major data collection returns. One hundred and thirty (130) "general" returns were received by the due-by date compared with the previous year's one hundred and twenty-one (121), while one hundred and forty-three (143) councils lodged their "roads" returns by the due-by date compared with one hundred and fourteen (114) last year. I cannot stress enough the importance of timely responses to data requests.

I would like to take this opportunity to acknowledge the efforts of my colleagues, Tim Rogers the Deputy Chairperson and Cr Pat Dixon and Emeritus Professor Maurice Daly. 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

Function, Membership, Staff

FUNCTION

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

The Commission consists of four members appointed for terms of up to five years. The members of the Commission are 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 1999 was:

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

Councillor Dixon resigned from her Commission, effective from 4 September 1998, to contest the federal seat of New England in the 1998 federal elections. Councillor Dixon was re-appointed to the Commission from 4 November 1998.

(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
- Tim Rogers - to 31 January, 2000
- Emeritus Professor Maurice Daly - to 30 June, 2002
- Cr Pat Dixon - to 30 June, 2002

Function, Membership, Staff

STAFF

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.

Summary of Activities 1998/1999

ANNUAL CONFERENCE

The Western Australian Grants Commission hosted the 1998 Annual Conference of State Grants Commissions. The Conference was held in Busselton, from 20-22 October. Those attending included representatives from Grants Commissions; officers of the Commonwealth's National Office of Local Government; and local government representatives. The conference took on an international perspective with delegates from Japan, the Philippines, and South Africa discussing their countries approaches to the funding of local government. Other discussion items included fiscal equalisation, local government reform, benchmarking, and methodological issues.

EXECUTIVE OFFICERS' MEETINGS

In June 1999 the National Office of Local Government sponsored a meeting of the Executive Officers from each State. The meeting discussed likely Commonwealth-State financial arrangements, as well as methodological, reporting, and data capture issues facing the Commissions.

ROAD AND BRIDGE LENGTH AUDITS

The Commission continued its program of auditing councils' road and bridge data during 1998/1999. The program began in 1992/1993 with eight councils being audited. Eleven councils were audited in 1993/1994; eight councils during 1994/1995; nine in 1995/1996, seven in 1996/1997, seven in 1997/1998, and six in 1998/1999.

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

VISITS TO COUNCILS

Twenty-seven councils were visited during 1998/1999. This compares with twenty-six the previous year. The Commission aims to visit all councils over a four to five year cycle. Details of councils visited during the year are shown in the appendices.

The visits provide a forum for the Commission explain the grant determination process. More importantly, the visits give councils an opportunity to meet with the Commission, ask specific question of the grant process, and present their particular problems. 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.

Summary of Activities 1998/1999

DATA COLLECTION RETURNS

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.

The distribution of the data returns was staggered over three months (September, October, and November), thereby, easing the burden on councils completing the returns, and, more importantly, easing the burden on the Commission staff processing the returns.

Response times for the Commission's two principal data collections improved. One hundred and thirty General Returns were received by the due-by date compared with the previous year's 121, while 143 councils had lodged their Roads returns by the due-by date compared with 114 last year. Further information can be found in Appendix 10.

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

SUBMISSIONS

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.

Summary of Activities 1998/1999

PAYMENTS 1998/1999

During 1998/1999 the grants continued to be paid in quarterly instalments.

The total payments to local governing bodies are summarised below:

18 August 1998	\$99,346,550
18 November 1998	\$99,346,551
16 February 1999	\$99,346,551
18 May 1999	\$99,346,552
Total	*\$397,386,204

**Notes: The estimates of the consumer price index and the states' shares of population on which the 1997/1998 payments were based was greater than the actual change in the four quarters to March 1998. Therefore, an adjustment was made to the instalments of the 1998/1999 grant and is reflected in Schedule of Entitlements shown in this report. The total decrease was \$3,390,688.*

Payments to a small number of authorities was delayed because those authorities had failed to advise the Commission of the correct banking details.

In 1998/1999 the CPI/population estimates were overstated. Accordingly, adjustments are made to each instalment of the 1999/2000 grant payments. The total reduction is \$1,686,872. The adjustment has been made to councils proportionally.

Highlights for 1998/1999 Grants

The total funds for New South Wales, compared to 1998/1999:

Component	1998/1999 CPI Adjusted Entitlement \$	1999/2000 Estimated Entitlement \$	% Change
General Purpose	289,122,909	297,540,578	2.91%
Local Roads	109,967,111	113,211,140	2.95%
Total	399,090,020	410,751,718	2.92%

GENERAL PURPOSE COMPONENT

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 1998, preliminary (Population New South Wales: Cat. 3234.1) was used in the calculations.

The State's population increased by 1.1% compared to the data used in the 1998/1999 grant calculations. Individual council variations ranged from increases of 25.5% for Sydney, and 7.1% for Camden, 5.3% for Auburn, and 5% for Liverpool to reductions of 5.3% for Cobar, 3.7% for Bingara, and 2.8% for Lockhart and Windouran.

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.

Highlights for 1998/1999 Grants

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 Administration function from 75% to 60%.

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 360 km, compared with the previous year's increase of 70 km. The aggregate of the length of bridges on local roads fell by 4,960 m, compared with last year's 1,370 m decrease.

Variations for individual council's road lengths range from an increase of 75 km to a reduction of 150 km. Changes to reported bridge length were from an increase of 450 m to a 1,700 m decrease.

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

Highlights for 1998/1999 Grants

GENERAL PURPOSE COMPONENT HIGHLIGHTS

Note: comparisons are based on the 1998/1999 CPI/population adjusted entitlement; and category references are based on the Australian Classification of Local Government.

New South Wales' general purpose estimated entitlement 1999/2000 is \$297,540,578.

This State's share in the general purpose component is 33.84%. This is slightly down on last year NSW's share of the national population is slightly down, compared to the previous year.

The increase in the general purpose grant to NSW is 2.91%.

One hundred and sixty (160) of a total one hundred and eighty (180) local authorities (includes Lord Howe Island, Silverton, and Tibooburra) received increased grants.

Five councils (all metropolitan) received maximum reductions of 4%.

Sydney City received the largest increase of 28%. Next were nine councils (one metropolitan and eight rural) each receiving increases 10%. Sydney City is on the per capita minimum grant. The increase directly reflects Sydney's increase of resident population compared to last year.

Metropolitan (councils in the Sydney Statistical Division)

Sydney City received the largest general purpose grant increase (28%), reflecting the City's significant increase in resident population.

The increase in grants for urban developed small category was 3.3%. With all the councils in this group being on the per capita minimum the slight above average increase reflects above average population growth brought about by inner-city urban consolidation.

As a group, urban developed medium councils received an increase of 0.6% compared to the State's 2.9% increase. Four councils in this group (Ashfield, Botany Bay, Leichhardt, and Waverley) received the maximum decrease of 4% (except for Auburn, all other councils in this group receive the per capita minimum entitlement). The property values of these areas have shown significant increases. These increases are generally reflecting the development opportunities that exist. Auburn's 10% increase is the largest for the group.

Urban developed large councils receive changes in grants ranging from -3.6% for Rockdale to +8.9% for Holroyd. South Sydney, which had been showing above average increases in recent years, receives a decrease of 3.3%.

An average increase of 3.2% for councils in the urban developed very large classification. Parramatta has the smallest increase of 0.6%. The largest increase of 8.2% was for Bankstown.

Seven of the eleven urban fringe councils receive increases at or above the State average. Liverpool's 9.0% was the highest increase, with Campbelltown's -4.0% being the biggest reduction.

Highlights for 1998/1999 Grants

Non-metropolitan (councils outside the Sydney Statistical Division)

The average increase for non-metropolitan councils was 3.4%, slightly above State's 2.9% increase.

Urban regional small councils received average increases of 1.9%, with five of the sixteen councils in this group receiving lower general purpose grants than in 1998/1999.

Urban regional medium councils generally received above average increases, with this group's average increase being 4.3%. Wingecarribee's increase of 10% was the highest, while Maitland's increase of 1% was the lowest.

Councils in the urban regional large and very large groups showed mixed outcomes. Wollongong received the highest increase of 7.2%. This was followed by Shoalhaven with a 1.7% increase and Newcastle with 1%. Lake Macquarie's general purpose grant fell slightly by 0.1%.

Councils classified rural generally received above average increases. Councils receiving the highest increases tended to be those with small populations in remote areas and those still affected by drought.

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%	9	5.0%
-2.5% to 0%	11	6.1%
0% to 2.5%	54	30.0%
2.5% to 5%	63	35.0%
5% to 7.5%	26	14.4%
7.5% to 10%	16	8.9%
>10%	1	0.6%
	*180	100.0%

** Includes the Lord Howe Island Board and the 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 \$14.08 are : Baulkham Hills, Burwood, Concord, Drummoynes, 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 1.9% (Woollahra) and 28% (Sydney), which reflects changes in resident population.

Highlights for 1998/1999 Grants

LOCAL ROADS COMPONENT – 1999/2000

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.

Local Roads Component Highlights

Note: comparisons are based on the 1998/1999 CPI/population adjusted entitlement.

New South Wales' allocation for 1999/2000 is \$113,211,140, an increase of 2.95% on last year's allocation.

New South Wales' share of the national allocation is 29% (the same as last year).

The method of distribution has not changed from 1998/1999.

The Commission continued its program of road and bridge length audits during 1998/1999. Six councils were audited, one less than the previous year. Audits are likely to continue in 1999/2000.

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
-7.5% to -5%	2	1.1%
-5% to -2.5%	2	1.1%
-2.5% to 0%	4	2.3%
0% to 2.5%	27	15.3%
2.5% to 5%	128	72.3%
5% to 7.5%	8	4.5%
7.5% to 10%	2	1.1%
>10%	4	2.3%
	*177	100.0%

* Excludes Lord Howe Island Board and the Silvertown and Tibooburra Village Committees

Highlights for 1998/1999 Grants

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 1999/2000 was 360 km more than the previous year. Bridge length is down 4,960 m. There have been some significant variations in road and bridge length figures for a small number of councils

TOTAL GRANTS – 1999/2000

Local government financial assistance grants to New South Wales for 1999/2000 total \$410,751,718, an increase on the 1998/1999 CPI/population adjusted entitlement of 2.92%.

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

Changes in Total Grant		
Range	No. of Councils	% of Councils
-5% to -2.5%	5	2.8%
-2.5% to 0%	15	8.3%
0% to 2.5%	51	28.3%
2.5% to 5%	78	43.3%
5% to 7.5%	23	12.8%
7.5% to 10%	7	3.9%
>10%	1	0.6%
	*180	100.0%

* Includes the Lord Howe Island Board and the Silverton and Tibooburra Village Committees

Financial Assistance Grants - Questions & Answers

WHERE DO THE GRANT FUNDS COME FROM?

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?

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?

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?

The national estimated entitlement for 1999/2000 is just under \$1.27 billion. This is made up of a *general purpose component* (\$879.4 million) and a *local roads component* (\$390.2 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 \$297.5 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 \$113.2 million (or 29% of the national funds).

Financial Assistance Grants - Questions & Answers

National Distribution and Shares of Financial Assistance Grants 1999/2000

State/ Territory	General Purpose \$	Share	Local Roads Component \$	Share	Total \$	Share
NSW	297,540,578	33.84%	113,211,140	29.01%	410,751,718	32.35%
VIC	218,568,651	24.85%	80,446,461	20.62%	299,015,112	23.55%
QLD	162,427,660	18.47%	73,110,396	18.74%	235,538,056	18.55%
WA	86,117,505	9.79%	59,663,142	15.29%	145,780,647	11.48%
SA	69,461,499	7.90%	21,444,487	5.50%	90,905,986	7.16%
TAS	21,956,899	2.50%	20,678,186	5.30%	42,635,085	3.36%
NT	8,919,099	1.01%	9,140,518	2.34%	18,059,617	1.42%
ACT	14,387,398	1.64%	12,512,138	3.21%	26,899,536	2.12%
TOTAL	879,379,289	100.00%	390,206,468	100.00%	1,269,585,757	100.00%

HOW ARE THE GRANTS PAID TO COUNCILS?

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 1998/1999. The overpayment amounted to \$5 million nationally and \$1.7 million for NSW. The adjustments are made proportionally across all councils and are deducted from the quarterly instalments during 1999/2000.

HOW SHOULD COUNCILS SPEND THE MONEY?

Section 15 of the Act requires that the funds are to be paid unconditionally. Councils have complete autonomy in deciding how the grant funds should be spent. Councils are accountable to their ratepayers.

Financial Assistance Grants - Questions & Answers

HOW DOES THE GRANTS COMMISSION DISTRIBUTE THE MONEY?

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?

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."*

WHAT ABOUT THE LOCAL ROADS COMPONENT?

The method of allocation used by the Commission for the local roads component is similar to the approach used by the RTA prior to the decision of the 1990 Premiers' Conference to untie the funds. Each council receives funding based on their proportion of the State's population, local road length and the length of bridges on local roads.

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

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?

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.

Financial Assistance Grants - Questions & Answers

CAN YOU TELL ME MORE ABOUT EXPENDITURE ALLOWANCES?

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?

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.

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

Allowance = *No. of Units* x *Standard Cost* x *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?

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.

Financial Assistance Grants - Questions & Answers

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

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

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.

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?

Using the Libraries function as an example:

The unit of use is population. Council A has a population of 10,000. The standard cost of library service is \$19.40 per capita.

It is assumed that a council with a population of 10,000 would spend \$194,000 on library services (ie. 10,000 x \$19.40).

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 persons:

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.

Financial Assistance Grants - Questions & Answers

students - full time:

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.

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:

$$10,000 \times \$19.40 \times 0.2 = \$38,800$$

In other words, it is estimated that it would cost the council \$38,800 more than the standard council because of its inherent disabilities. \$38,800 becomes Council A's expenditure allowance for libraries.

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

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.

Financial Assistance Grants - Questions & Answers

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

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?

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.

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?

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?

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

Financial Assistance Grants - Questions & Answers

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

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?

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 1999/2000 grants have been determined by the Commission using population estimates (preliminary) for each council contained in the Australian Bureau of Statistics publication, Population New South Wales (Cat. 3234.1), at 30 June, 1998. The 1999/2000 per capita minimum is \$14.08. There are twenty-two councils on the per capita minimum, which is the same as last year.

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

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* (\$14.08 for 1999/2000) up to that level, as required in the federal legislation. Councils above the per capita minimum receive a little over half of the amount assessed as need, based on the Commission's calculations.

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

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?

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.

Financial Assistance Grants - Questions & Answers

WHAT ABOUT WATER AND SEWERAGE SCHEMES?

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;
- 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?

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?

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.

Financial Assistance Grants - Questions & Answers

WHAT ABOUT DEBT SERVICING?

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

WHAT ABOUT POOR DECISIONS OF THE PAST?

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?

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.

WHAT ABOUT EFFICIENCY? ARE COUNCILS REWARDED IN SOME WAY?

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?

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

Schedule of Grant Entitlements

The Commission's recommendations for the distribution of funds to local government in New South Wales for 1999/2000, together with the actual entitlements for 1997/1998 and 1998/1999, are set out below. 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 1999/2000 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.

Entitlements for 1997/1998 and 1998/1999 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 \$3,390,688 and \$1,686,872 occurred in 1997/1998 and 1998/1999, respectively.

Local Governing Body	1997-1998				1998-1999				1999-2000			
	Estimated Resident Population as at 30/6/96 ¹	<i>Actual Entitlement</i>		Total	Estimated Resident Population as at 30/6/97 ²	<i>Actual Entitlement</i>		Total	Estimated Resident Population as at 30/6/98 ³	<i>Estimated Entitlement</i>		Total
		General Purpose Component	Local Roads Component			General Purpose Component	Local Roads Component			General Purpose Component	Local Roads Component	
Albury (C)	42,080	2,258,940	546,320	2,805,260	42,382	2,374,336	596,552	2,970,888	43,074	2,460,436	619,284	3,079,720
Armidale (C)	23,450	1,266,396	299,060	1,565,456	21,372	1,268,724	294,380	1,563,104	21,219	1,286,320	301,292	1,587,612
Ashfield (M)	41,950	927,824	182,240	1,110,064	41,896	895,280	182,412	1,077,692	41,945	859,476	186,716	1,046,192
Auburn	50,100	984,952	314,616	1,299,568	54,319	1,077,780	291,444	1,369,224	57,204	1,185,412	304,996	1,490,408
Ballina (S)	35,780	1,519,200	608,144	2,127,344	35,095	1,528,736	624,112	2,152,848	35,824	1,579,528	649,544	2,229,072
Balranald (S)	2,950	846,928	663,344	1,510,272	2,923	893,664	654,780	1,548,444	2,968	958,392	674,484	1,632,876
Bankstown (C)	163,650	2,971,072	832,024	3,803,096	166,270	2,940,796	853,592	3,794,388	167,839	3,181,340	883,368	4,064,708
Barraba (S)	2,360	483,604	377,336	860,940	2,339	529,180	386,508	915,688	2,283	582,024	412,564	994,588
Bathurst (C)	30,840	1,394,380	425,100	1,819,480	29,355	1,450,460	427,240	1,877,700	29,683	1,508,684	441,644	1,950,328
Baulkham Hills (S)	130,550	1,785,264	902,024	2,687,288	127,272	1,759,608	872,688	2,632,296	130,302	1,834,292	914,552	2,748,844
Bega Valley (S)	28,850	2,311,184	915,768	3,226,952	28,523	2,382,344	942,084	3,324,428	28,634	2,508,196	971,984	3,480,180
Bellingen (S)	12,870	1,322,068	423,128	1,745,196	12,532	1,338,932	433,104	1,772,036	12,547	1,367,692	449,192	1,816,884
Berrigan (S)	8,410	1,197,100	658,076	1,855,176	8,306	1,297,812	738,832	2,036,644	8,241	1,391,748	759,116	2,150,864
Bingara (S)	2,110	444,576	291,748	736,324	2,109	453,388	298,844	752,232	2,030	466,656	306,884	773,540
Blacktown (C)	236,050	8,258,784	1,571,152	9,829,936	244,176	8,667,361	1,612,840	10,280,201	248,525	8,948,612	1,620,992	10,569,604
Bland (S)	6,600	1,533,028	1,466,580	2,999,608	6,582	1,677,512	1,504,116	3,181,628	6,441	1,845,036	1,544,568	3,389,604
Blayney (S)	6,530	885,284	427,220	1,312,504	6,401	879,868	436,292	1,316,160	6,404	883,664	449,204	1,332,868
Blue Mountains (C)	75,550	4,791,544	754,320	5,545,864	75,433	4,762,952	788,432	5,551,384	75,855	4,725,064	811,928	5,536,992
Bogan (S)	3,210	975,880	735,956	1,711,836	3,310	1,018,752	755,660	1,774,412	3,277	1,076,156	779,508	1,855,664
Bombala	3,010	667,892	365,024	1,032,916	2,991	660,760	374,524	1,035,284	2,942	667,016	386,068	1,053,084
Boorowa	2,640	465,144	382,116	847,260	2,522	474,620	391,396	866,016	2,477	486,872	401,924	888,796
Botany Bay (C)	36,000	806,156	157,888	964,044	36,347	777,880	160,744	938,624	36,642	746,772	164,600	911,372
Bourke (S)	4,310	1,340,796	964,548	2,305,344	3,882	1,423,624	985,128	2,408,752	3,779	1,524,436	1,011,804	2,536,240
Brewarrina (S)	2,200	900,704	649,236	1,549,940	2,231	953,608	665,952	1,619,560	2,173	1,008,952	684,312	1,693,264
Broken Hill (C)	23,720	2,197,952	312,132	2,510,084	21,605	2,273,396	304,440	2,577,836	21,297	2,291,636	300,248	2,591,884
Burwood	29,350	401,360	153,556	554,916	29,887	413,208	157,768	570,976	29,980	422,036	162,960	584,996
Byron (S)	27,170	1,308,212	596,720	1,904,932	27,304	1,262,328	584,840	1,847,168	27,989	1,247,860	609,000	1,856,860
Cabonne (S)	12,500	1,436,156	1,050,860	2,487,016	12,219	1,437,944	1,080,552	2,518,496	12,187	1,470,136	1,106,012	2,576,148
Camden	29,500	920,956	303,440	1,224,396	35,249	1,146,292	329,856	1,476,148	37,767	1,230,008	356,396	1,586,404
Campbelltown (C)	151,100	6,917,276	887,392	7,804,668	148,815	7,183,892	899,000	8,082,892	149,489	6,896,612	924,696	7,821,308
Canterbury (C)	135,050	3,098,012	598,492	3,696,504	139,698	3,060,636	617,004	3,677,640	140,435	3,117,180	635,544	3,752,724

Local Governing Body	1997-1998				1998-1999				1999-2000			
	Estimated Resident Population as at 30/6/96 ¹	<i>Actual Entitlement</i>		Total	Estimated Resident Population as at 30/6/97 ²	<i>Actual Entitlement</i>		Total	Estimated Resident Population as at 30/6/98 ³	<i>Estimated Entitlement</i>		Total
		General Purpose Component	Local Roads Component			General Purpose Component	Local Roads Component			General Purpose Component	Local Roads Component	
Carrathool (S)	3,100	1,143,156	1,136,532	2,279,688	3,187	1,250,896	1,192,288	2,443,184	3,136	1,375,816	1,233,700	2,609,516
Casino	11,700	1,011,952	162,968	1,174,920	10,832	1,003,684	161,032	1,164,716	10,708	986,704	165,148	1,151,852
Central Darling (S)	2,580	1,270,836	799,624	2,070,460	2,391	1,342,224	818,180	2,160,404	2,429	1,453,956	841,232	2,295,188
Cessnock (C)	46,790	2,664,328	840,904	3,505,232	46,006	2,754,128	863,800	3,617,928	46,264	2,851,924	892,960	3,744,884
Cobar (S)	5,340	1,482,516	855,116	2,337,632	5,740	1,537,112	880,724	2,417,836	5,437	1,612,496	902,164	2,514,660
Coffs Harbour (C)	57,460	2,546,168	865,740	3,411,908	58,294	2,610,816	906,052	3,516,868	59,215	2,718,828	948,260	3,667,088
Conargo (S)	1,500	384,304	422,656	806,960	1,517	405,352	433,480	838,832	1,482	445,832	445,256	891,088
Concord	24,500	335,036	141,652	476,688	24,842	343,456	130,324	473,780	25,290	356,016	134,172	490,188
Coolah (S)	4,020	858,092	526,164	1,384,256	3,850	877,168	538,340	1,415,508	3,809	919,808	555,644	1,475,452
Coolamon (S)	4,060	919,724	562,412	1,482,136	4,017	982,292	669,004	1,651,296	3,978	1,054,244	686,560	1,740,804
Cooma-Monaro (S)	9,850	1,425,384	555,440	1,980,824	9,641	1,453,760	537,864	1,991,624	9,652	1,431,664	552,804	1,984,468
Coonabarabran (S)	7,250	1,289,676	688,756	1,978,432	6,891	1,322,504	711,280	2,033,784	6,802	1,366,028	730,592	2,096,620
Coonamble (S)	5,160	1,154,416	740,060	1,894,476	4,970	1,171,244	757,512	1,928,756	4,894	1,206,456	777,640	1,984,096
Cootamundra (S)	8,270	1,001,220	360,056	1,361,276	7,702	1,019,288	372,284	1,391,572	7,546	1,028,172	381,764	1,409,936
Copmanhurst (S)	4,150	747,696	360,964	1,108,660	4,104	736,148	370,156	1,106,304	4,144	739,916	384,424	1,124,340
Corowa (S)	8,570	1,093,204	533,812	1,627,016	8,433	1,195,312	685,144	1,880,456	8,422	1,302,124	709,276	2,011,400
Cowra (S)	12,680	1,462,168	790,556	2,252,724	12,524	1,508,128	777,688	2,285,816	12,538	1,549,944	798,364	2,348,308
Crookwell (S)	4,710	663,012	496,056	1,159,068	4,436	665,232	507,188	1,172,420	4,477	676,592	522,304	1,198,896
Culcairn (S)	4,500	831,772	436,564	1,268,336	4,212	836,440	445,468	1,281,908	4,136	852,100	457,252	1,309,352
Deniliquin	8,570	1,159,568	148,076	1,307,644	8,212	1,150,772	148,532	1,299,304	8,153	1,143,932	151,832	1,295,764
Drummoyne	31,400	429,396	156,840	586,236	32,384	447,728	161,652	609,380	32,958	463,960	166,608	630,568
Dubbo (C)	36,940	2,416,580	865,476	3,282,056	36,726	2,472,632	878,720	3,351,352	37,030	2,536,212	925,024	3,461,236
Dumaresq (S)	3,880	362,248	449,628	811,876	3,824	349,540	467,872	817,412	3,797	375,420	488,544	863,964
Dungog (S)	8,350	936,632	452,736	1,389,368	7,893	917,780	463,572	1,381,352	7,911	957,840	479,668	1,437,508
Eurobodalla (S)	31,090	2,975,964	763,164	3,739,128	30,755	3,061,300	792,376	3,853,676	31,155	3,193,916	818,152	4,012,068
Evans (S)	4,970	642,364	577,340	1,219,704	5,154	623,888	597,840	1,221,728	5,201	638,436	616,924	1,255,360
Fairfield (C)	188,200	6,186,448	1,022,416	7,208,864	190,132	6,193,872	1,051,956	7,245,828	190,920	6,403,216	1,083,236	7,486,452
Forbes (S)	10,570	1,661,588	1,013,052	2,674,640	10,331	1,713,944	1,037,824	2,751,768	10,300	1,799,024	1,067,340	2,866,364
Gilgandra (S)	4,980	981,532	657,356	1,638,888	4,862	1,003,464	683,580	1,687,044	4,759	1,040,224	702,180	1,742,404
Glen Innes (M)	6,570	829,296	116,024	945,320	6,148	818,120	115,776	933,896	6,048	798,440	118,053	916,493
Gloucester (S)	4,900	711,204	447,184	1,158,388	4,974	716,316	457,080	1,173,396	4,966	735,884	472,188	1,208,072

Local Governing Body	1997-1998				1998-1999				1999-2000			
	Estimated Resident Population as at 30/6/96 ¹	<i>Actual Entitlement</i>		Total	Estimated Resident Population as at 30/6/97 ²	<i>Actual Entitlement</i>		Total	Estimated Resident Population as at 30/6/98 ³	<i>Estimated Entitlement</i>		Total
		General Purpose Component	Local Roads Component			General Purpose Component	Local Roads Component			General Purpose Component	Local Roads Component	
Gosford (C)	149,500	5,636,176	1,218,440	6,854,616	153,063	5,626,976	1,255,044	6,882,020	155,144	5,893,332	1,294,916	7,188,248
Goulburn (C)	22,220	1,076,856	281,928	1,358,784	21,310	1,115,140	283,416	1,398,556	21,061	1,159,780	288,928	1,448,708
Grafton (C)	18,190	1,246,668	239,288	1,485,956	17,424	1,241,116	241,284	1,482,400	17,389	1,232,420	247,844	1,480,264
Great Lakes	29,040	2,615,340	718,128	3,333,468	29,551	2,795,804	743,488	3,539,292	30,141	2,939,020	767,948	3,706,968
Greater Taree (C)	44,660	2,159,196	1,294,736	3,453,932	43,530	2,224,788	1,324,800	3,549,588	43,727	2,326,032	1,369,756	3,695,788
Griffith (C)	22,040	1,262,968	745,492	2,008,460	22,462	1,304,616	768,520	2,073,136	22,769	1,384,608	825,648	2,210,256
Gundagai (S)	3,850	573,504	393,164	966,668	3,787	576,640	407,780	984,420	3,789	578,776	421,648	1,000,424
Gunnedah (S)	13,440	1,281,208	929,384	2,210,592	13,040	1,348,028	963,928	2,311,956	12,809	1,433,768	988,792	2,422,560
Gunning (S)	2,340	382,788	263,832	646,620	2,312	402,960	271,008	673,968	2,333	430,760	278,924	709,684
Guyra (S)	4,880	705,260	486,356	1,191,616	4,358	707,408	494,472	1,201,880	4,292	736,216	507,608	1,243,824
Harden (S)	4,200	713,356	490,936	1,204,292	3,891	780,588	500,488	1,281,076	3,826	858,540	514,664	1,373,204
Hastings	56,440	2,756,176	1,270,704	4,026,880	58,243	2,883,260	1,251,120	4,134,380	59,921	3,045,596	1,329,324	4,374,920
Hawkesbury (C)	57,450	2,222,304	904,716	3,127,020	60,042	2,245,628	935,864	3,181,492	60,884	2,330,956	967,152	3,298,108
Hay (S)	3,880	910,520	416,368	1,326,888	3,795	923,672	419,248	1,342,920	3,731	952,624	427,948	1,380,572
Holbrook (S)	2,600	455,396	228,868	684,264	2,574	459,252	236,356	695,608	2,600	480,552	276,184	756,736
Holroyd (C)	82,100	1,650,968	463,972	2,114,940	84,617	1,806,568	478,420	2,284,988	86,280	1,967,472	494,648	2,462,120
Hornsby (S)	144,750	1,979,448	862,048	2,841,496	145,868	2,016,708	842,440	2,859,148	147,823	2,080,936	868,784	2,949,720
Hume (S)	7,130	816,400	406,244	1,222,644	7,056	806,936	418,212	1,225,148	7,118	815,384	430,424	1,245,808
Hunters Hill (M)	13,050	178,460	81,580	260,040	12,733	176,040	82,484	258,524	13,050	183,708	85,211	268,919
Hurstville (C)	68,400	935,364	331,732	1,267,096	69,867	965,952	340,852	1,306,804	70,158	987,632	347,476	1,335,108
Inverell (S)	16,420	1,651,884	1,053,720	2,705,604	15,335	1,728,424	1,073,680	2,802,104	15,144	1,823,116	1,102,224	2,925,340
Jerilderie (S)	1,890	599,320	506,656	1,105,976	1,940	625,992	519,932	1,145,924	1,892	674,616	534,100	1,208,716
Junee (S)	6,200	1,011,288	457,096	1,468,384	5,924	1,012,628	466,596	1,479,224	5,861	1,039,272	476,548	1,515,820
Kempsey (S)	27,150	1,985,544	906,524	2,892,068	26,535	2,043,492	929,592	2,973,084	26,580	2,088,124	955,036	3,043,160
Kiama (M)	18,770	775,672	216,148	991,820	18,604	788,160	224,620	1,012,780	18,794	815,116	233,044	1,048,160
Kogarah (M)	48,450	662,552	260,152	922,704	50,649	700,252	269,980	970,232	51,026	718,304	277,508	995,812
Ku-ring-gai (M)	107,450	1,469,368	611,948	2,081,316	106,262	1,469,136	619,364	2,088,500	106,536	1,499,732	633,932	2,133,664
Kyogle	10,500	1,328,636	837,368	2,166,004	9,919	1,320,244	860,716	2,180,960	9,833	1,314,988	814,292	2,129,280
Lachlan (S)	7,640	2,114,092	1,719,578	3,833,670	7,483	2,230,744	1,700,503	3,931,247	7,379	2,368,848	1,746,748	4,115,596
Lake Macquarie (C)	179,450	8,324,516	1,417,220	9,741,736	178,947	8,345,932	1,450,960	9,796,892	180,826	8,334,828	1,508,820	9,843,648
Lane Cove (M)	30,450	416,404	160,144	576,548	31,423	434,440	165,272	599,712	31,602	444,872	169,948	614,820

Local Governing Body	1997-1998				1998-1999				1999-2000			
	Estimated Resident Population as at 30/6/96 ¹	Actual Entitlement		Total	Estimated Resident Population as at 30/6/97 ²	Actual Entitlement		Total	Estimated Resident Population as at 30/6/98 ³	Estimated Entitlement		Total
		General Purpose Component	Local Roads Component			General Purpose Component	Local Roads Component			General Purpose Component	Local Roads Component	
Leeton (S)	11,250	1,214,628	500,740	1,715,368	11,394	1,261,424	516,308	1,777,732	11,476	1,306,120	531,052	1,837,172
Leichhardt (M)	59,950	1,518,504	286,192	1,804,696	61,259	1,465,248	298,444	1,763,692	62,206	1,406,652	303,548	1,710,200
Lismore (C)	45,860	2,639,512	1,013,124	3,652,636	43,489	2,573,832	1,042,996	3,616,828	43,534	2,680,696	1,074,556	3,755,252
Lithgow (C)	20,550	1,793,140	514,152	2,307,292	19,893	1,798,712	524,436	2,323,148	19,719	1,832,048	537,740	2,369,788
Liverpool (C)	114,350	3,803,636	790,152	4,593,788	130,523	3,990,520	863,288	4,853,808	137,066	4,350,136	912,460	5,262,596
Lockhart (S)	3,740	896,020	788,752	1,684,772	3,585	979,112	807,596	1,786,708	3,483	1,076,892	840,368	1,917,260
Lord Howe Island (Bd)	340	91,912	0	91,912	335	100,292	0	100,292	318	103,298	0	103,298
Maclean	15,560	1,789,784	449,608	2,239,392	15,767	1,763,872	465,520	2,229,392	16,285	1,771,064	457,264	2,228,328
Maitland (C)	52,700	2,596,040	559,088	3,155,128	52,153	2,598,416	578,224	3,176,640	52,844	2,623,612	605,156	3,228,768
Manilla (S)	3,490	567,492	352,216	919,708	3,299	560,460	344,156	904,616	3,327	561,824	354,844	916,668
Manly	36,750	502,552	173,076	675,628	37,895	523,920	179,504	703,424	38,127	536,724	179,756	716,480
Marrickville	77,900	3,174,016	347,060	3,521,076	80,084	3,062,700	349,316	3,412,016	79,246	2,978,324	353,960	3,332,284
Merriwa (S)	2,480	444,404	292,404	736,808	2,349	437,156	299,804	736,960	2,332	441,864	306,524	748,388
Moree Plains (S)	16,390	1,919,784	1,480,284	3,400,068	15,305	1,965,152	1,501,108	3,466,260	15,366	2,039,504	1,544,240	3,583,744
Mosman (M)	27,400	374,696	133,568	508,264	27,624	381,916	136,020	517,936	27,985	393,952	139,608	533,560
Mudgee (S)	18,090	1,541,440	866,256	2,407,696	17,660	1,534,352	886,912	2,421,264	17,873	1,549,556	915,576	2,465,132
Mulwaree (S)	5,870	746,276	652,596	1,398,872	5,863	792,264	664,040	1,456,304	6,040	817,396	685,648	1,503,044
Murray (S)	5,400	903,192	701,772	1,604,964	5,442	912,980	721,152	1,634,132	5,668	945,476	735,304	1,680,780
Murrumbidgee (S)	2,470	543,052	311,784	854,836	2,570	551,240	315,856	867,096	2,608	572,404	324,924	897,328
Murrurundi (S)	2,440	354,480	289,044	643,524	2,245	344,188	294,980	639,168	2,203	349,780	303,716	653,496
Muswellbrook (S)	16,110	1,332,308	485,176	1,817,484	15,631	1,347,604	495,732	1,843,336	15,462	1,365,976	484,896	1,850,872
Nambucca (S)	18,220	1,422,056	602,308	2,024,364	17,738	1,430,104	616,600	2,046,704	17,829	1,476,960	650,220	2,127,180
Narrabri (S)	14,480	2,039,904	1,170,704	3,210,608	14,118	2,080,800	1,202,900	3,283,700	14,063	2,130,980	1,236,116	3,367,096
Narrandera (S)	7,270	1,267,448	781,684	2,049,132	7,074	1,314,608	800,920	2,115,528	6,939	1,382,700	822,100	2,204,800
Narromine (S)	7,320	1,318,980	716,852	2,035,832	6,714	1,361,308	725,732	2,087,040	6,663	1,427,456	744,084	2,171,540
Newcastle (C)	138,820	7,272,788	944,300	8,217,088	138,250	7,548,588	964,556	8,513,144	139,171	7,622,008	997,728	8,619,736
North Sydney	53,400	730,244	242,724	972,968	56,961	787,516	254,728	1,042,244	57,991	816,352	262,256	1,078,608
Nundle (S)	1,400	245,576	170,056	415,632	1,386	244,388	174,952	419,340	1,368	253,240	180,176	433,416
Nymboida (S)	4,700	676,544	372,044	1,048,588	4,491	652,812	376,012	1,028,824	4,547	638,680	388,776	1,027,456
Oberon	4,520	586,184	402,180	988,364	4,602	624,096	414,624	1,038,720	4,667	670,132	426,840	1,096,972
Orange (C)	35,260	1,653,060	492,564	2,145,624	35,050	1,701,796	515,400	2,217,196	35,584	1,729,620	535,012	2,264,632

Local Governing Body	1997-1998				1998-1999				1999-2000			
	Estimated Resident Population as at 30/6/96 ¹	Actual Entitlement		Total	Estimated Resident Population as at 30/6/97 ²	Actual Entitlement		Total	Estimated Resident Population as at 30/6/98 ³	Estimated Entitlement		Total
		General Purpose Component	Local Roads Component			General Purpose Component	Local Roads Component			General Purpose Component	Local Roads Component	
Parkes (S)	14,760	1,797,860	992,408	2,790,268	15,286	1,841,404	1,024,920	2,866,324	15,145	1,907,856	1,052,312	2,960,168
Parramatta (C)	138,850	3,050,292	817,940	3,868,232	144,093	3,302,744	864,756	4,167,500	144,366	3,321,692	825,320	4,147,012
Parry (S)	12,930	1,128,384	904,284	2,032,668	12,119	1,143,864	929,588	2,073,452	12,025	1,154,644	936,176	2,090,820
Penrith (C)	168,450	6,232,528	1,171,360	7,403,888	169,709	6,386,972	1,200,916	7,587,888	171,420	6,261,876	1,209,980	7,471,856
Pittwater	52,500	717,932	324,900	1,042,832	55,338	765,080	338,176	1,103,256	55,910	787,060	348,704	1,135,764
Port Stephens	53,260	2,473,588	549,312	3,022,900	53,506	2,507,552	566,388	3,073,940	54,799	2,609,140	602,200	3,211,340
Queanbeyan (C)	28,680	1,328,636	345,368	1,674,004	28,584	1,356,172	358,420	1,714,592	28,826	1,381,168	369,768	1,750,936
Quirindi (S)	5,380	770,968	447,476	1,218,444	4,965	772,628	456,692	1,229,320	4,846	786,108	468,568	1,254,676
Randwick (C)	119,700	1,636,892	524,480	2,161,372	124,697	1,724,008	547,000	2,271,008	125,359	1,764,708	535,544	2,300,252
Richmond River (S)	10,060	1,242,260	580,748	1,823,008	9,990	1,242,060	606,920	1,848,980	10,049	1,243,120	635,528	1,878,648
Rockdale (C)	87,800	1,473,600	424,684	1,898,284	89,895	1,423,308	438,520	1,861,828	90,372	1,372,072	449,244	1,821,316
Ryde (C)	96,500	1,319,628	501,820	1,821,448	97,329	1,345,632	503,144	1,848,776	97,598	1,373,908	515,360	1,889,268
Rylstone (S)	4,040	699,696	345,388	1,045,084	3,836	700,708	352,860	1,053,568	3,767	704,884	363,740	1,068,624
Scone (S)	10,390	999,740	581,348	1,581,088	9,845	991,076	592,524	1,583,600	9,852	992,568	573,176	1,565,744
Severn (S)	3,090	521,876	576,252	1,098,128	3,023	541,728	598,792	1,140,520	2,979	571,804	617,248	1,189,052
Shellharbour (C)	52,560	1,810,068	350,020	2,160,088	54,978	1,934,040	307,708	2,241,748	55,870	2,041,840	379,276	2,421,116
Shoalhaven (C)	80,840	5,576,272	1,520,044	7,096,316	80,355	5,672,616	1,522,224	7,194,840	81,253	5,771,652	1,577,876	7,349,528
Silverton (VC)	n.a.	0	0	0	58	17,324	0	17,324	58	17,864	0	17,864
Singleton (S)	20,670	1,187,828	582,012	1,769,840	20,479	1,177,904	602,676	1,780,580	20,531	1,187,440	618,976	1,806,416
Snowy River (S)	6,090	1,110,144	431,964	1,542,108	6,282	1,137,128	458,164	1,595,292	6,348	1,162,224	459,504	1,621,728
South Sydney (C)	73,800	2,239,648	340,540	2,580,188	82,029	2,450,732	365,620	2,816,352	83,752	2,370,564	377,940	2,748,504
Strathfield (M)	27,050	369,908	141,244	511,152	27,586	381,392	145,004	526,396	28,145	396,204	150,276	546,480
Sutherland Shire (S)	203,400	2,781,480	1,103,732	3,885,212	206,483	2,854,748	1,129,004	3,983,752	209,403	2,947,812	1,160,456	4,108,268
Sydney (C)	7,950	108,716	72,816	181,532	15,869	219,400	99,368	318,768	19,913	280,320	112,436	392,756
Tallaganda (S)	2,670	588,528	346,552	935,080	2,593	580,200	321,408	901,608	2,584	587,668	349,160	936,828
Tamworth (C)	36,890	1,783,532	500,964	2,284,496	35,236	1,827,968	505,012	2,332,980	35,326	1,888,788	521,272	2,410,060
Temora (S)	6,500	1,031,268	624,976	1,656,244	6,082	1,048,212	637,712	1,685,924	5,937	1,081,684	654,368	1,736,052
Tenterfield (S)	7,010	1,184,684	804,512	1,989,196	6,621	1,216,504	822,316	2,038,820	6,647	1,251,580	847,184	2,098,764
Tibooburra (VC)	n.a.	0	0	0	124	37,040	0	37,040	124	38,192	0	38,192
Tumbarumba (S)	3,680	662,628	294,092	956,720	3,772	668,916	304,940	973,856	3,762	682,676	314,156	996,832
Tumut (S)	11,570	1,301,472	393,284	1,694,756	11,318	1,299,696	416,748	1,716,444	11,220	1,302,700	428,004	1,730,704

Local Governing Body	1997-1998				1998-1999				1999-2000			
	Estimated Resident Population as at 30/6/96 ¹	Actual Entitlement		Total	Estimated Resident Population as at 30/6/97 ²	Actual Entitlement		Total	Estimated Resident Population as at 30/6/98 ³	Estimated Entitlement		Total
		General Purpose Component	Local Roads Component			General Purpose Component	Local Roads Component			General Purpose Component	Local Roads Component	
Tweed (S)	64,020	3,451,256	1,159,544	4,610,800	67,082	3,533,932	1,236,608	4,770,540	68,816	3,704,992	1,301,356	5,006,348
Ulmarra (S)	6,400	1,074,520	334,288	1,408,808	6,219	1,082,580	345,880	1,428,460	6,195	1,092,592	357,164	1,449,756
Uralla (S)	6,420	746,928	477,732	1,224,660	5,954	746,560	492,116	1,238,676	5,811	770,868	506,644	1,277,512
Urana (S)	1,520	572,240	444,136	1,016,376	1,575	605,116	454,168	1,059,284	1,555	653,332	466,832	1,120,164
Wagga Wagga (C)	57,750	2,871,024	1,583,736	4,454,760	56,188	2,922,036	1,618,152	4,540,188	56,566	3,078,500	1,673,564	4,752,064
Wakool (S)	5,300	989,444	814,032	1,803,476	4,882	1,040,764	832,216	1,872,980	4,802	1,098,044	781,348	1,879,392
Walcha	3,630	447,248	512,164	959,412	3,355	437,472	460,452	897,924	3,272	455,760	468,556	924,316
Walgett (S)	8,200	1,660,468	1,059,564	2,720,032	8,283	1,716,772	1,088,008	2,804,780	8,319	1,753,252	1,121,412	2,874,664
Warren (S)	3,700	865,848	566,284	1,432,132	3,409	835,476	531,996	1,367,472	3,374	837,760	548,588	1,386,348
Warringham	129,600	1,772,272	687,204	2,459,476	131,920	1,823,868	704,176	2,528,044	132,520	1,865,516	722,216	2,587,732
Waverley	60,200	1,604,228	231,560	1,835,788	65,448	1,610,948	249,344	1,860,292	64,706	1,546,524	252,176	1,798,700
Weddin (S)	4,270	777,804	513,932	1,291,736	3,825	816,468	523,240	1,339,708	3,775	858,792	537,388	1,396,180
Wellington	9,490	1,462,816	703,868	2,166,684	8,879	1,466,420	719,908	2,186,328	8,955	1,488,288	740,908	2,229,196
Wentworth (S)	7,290	1,652,020	1,015,652	2,667,672	7,189	1,726,192	1,043,360	2,769,552	7,146	1,824,372	1,069,608	2,893,980
Willoughby (C)	56,800	776,736	302,976	1,079,712	57,104	789,496	308,640	1,098,136	57,791	813,540	317,296	1,130,836
Windouran (S)	440	223,000	226,448	449,448	398	244,016	231,732	475,748	387	268,384	238,224	506,608
Wingecarribee (S)	37,920	1,757,156	812,832	2,569,988	38,702	1,834,876	869,144	2,704,020	39,346	2,018,116	899,712	2,917,828
Wollondilly (S)	34,600	1,280,808	658,808	1,939,616	34,952	1,349,824	689,628	2,039,452	35,489	1,443,932	712,468	2,156,400
Wollongong (C)	184,410	7,178,124	1,194,216	8,372,340	184,478	7,494,080	1,219,620	8,713,700	185,397	8,033,232	1,241,156	9,274,388
Woollahra (M)	50,550	691,264	245,784	937,048	53,536	740,168	239,888	980,056	53,597	754,500	244,700	999,200
Wyong (S)	119,350	5,240,256	1,062,284	6,302,540	123,139	5,349,396	1,105,052	6,454,448	126,107	5,485,096	1,141,964	6,627,060
Yallaro (S)	3,510	736,852	673,044	1,409,896	3,290	758,284	682,460	1,440,744	3,231	789,444	701,104	1,490,548
Yarrowlunla (S)	9,400	742,744	333,916	1,076,660	9,360	716,692	364,128	1,080,820	9,515	690,976	414,440	1,105,416
Yass (S)	9,840	1,169,876	562,912	1,732,788	9,400	1,128,848	557,284	1,686,132	9,392	1,148,236	573,168	1,721,404
Young (S)	11,400	1,193,964	632,972	1,826,936	11,385	1,234,756	650,432	1,885,188	11,332	1,259,992	670,272	1,930,264
TOTAL	6,189,190	282,122,340	107,222,222	389,344,562	6,273,654	289,122,909	109,967,111	399,090,020	6,340,899	297,540,578	113,211,140	410,751,718

Population Sources:

1 ABS Estimated Resident Population, NSW (Cat. No. 3210.1) 1996 Preliminary. Total excludes Unincorporated Area.

2 ABS Population, NSW (Cat. No. 3234.1) 1997 Preliminary and Demography Section ABS. Total excludes Unincorporated Area.

3 ABS Population, NSW (Cat. No. 3234.1) 1998 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 1999/2000 grants for each council. The information represents local road lengths as at 30 June 1998, 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	171
Ashfield (M)	92	0	0	92
Auburn	192	0	0	192
Ballina (S)	204	225	117	546
Balranald (S)	28	35	1,209	1,272
Bankstown (C)	542	0	0	542
Barraba (S)	62	115	534	711
Bathurst (C)	198	45	44	287
Baulkham Hills (S)	483	189	29	701
Bega Valley (S)	216	102	771	1,089
Bellingen (S)	74	197	198	469
Berrigan (S)	106	502	715	1,323
Bingara (S)	29	108	385	522
Blacktown (C)	1,010	112	17	1,139
Bland (S)	89	408	2,397	2,894
Blayney (S)	67	218	415	700
Blue Mountains (C)	550	82	72	704
Bogan (S)	56	134	1,220	1,410
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)	182	7	6	195
Burwood	86	0	0	86
Byron (S)	137	259	97	493
Cabonne	95	365	1,353	1,813
Camden	142	131	3	276
Campbelltown (C)	506	70	0	576
Canterbury (C)	310	0	0	310

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)
Carrathool (S)	56	250	2,017	2,323
Casino	78	23	14	115
Central Darling (S)	39	21	1,542	1,602
Cessnock (C)	332	144	320	796
Cobar (S)	51	72	1,545	1,668
Coffs Harbour (C)	264	214	132	610
Conargo (S)	3	304	530	837
Concord	86	0	0	86
Coolah (S)	50	244	675	969
Coolamon (S)	74	246	955	1,275
Cooma-Monaro (S)	86	69	684	839
Coonabarabran (S)	64	168	1,027	1,259
Coonamble (S)	67	154	1,165	1,386
Cootamundra (S)	82	212	248	542
Copmanhurst (S)	12	211	274	497
Corowa (S)	89	358	758	1,205
Cowra (S)	150	310	780	1,240
Crookwell (S)	44	169	667	880
Culcairn (S)	59	236	505	800
Deniliquin	99	18	31	148
Drummoyne	99	0	0	99
Dubbo (C)	200	410	466	1,076
Dumaresq (S)	8	172	634	814
Dungog (S)	46	288	265	599
Eurobodalla (S)	294	137	487	918
Evans (S)	30	321	641	992
Fairfield (C)	558	42	2	602
Forbes (S)	136	516	1,148	1,800
Gilgandra (S)	36	220	975	1,231
Glen Innes (M)	61	29	15	105
Gloucester (S)	28	107	486	621
Gosford (C)	855	95	80	1,030
Goulburn (C)	154	8	3	165
Grafton (C)	105	28	20	153
Great Lakes	248	160	404	812
Greater Taree (C)	207	353	950	1,510
Griffith (C)	171	295	723	1,189

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)
Gundagai (S)	35	224	397	656
Gunnedah (S)	92	222	1,335	1,649
Gunning (S)	28	142	312	482
Guyra (S)	53	263	549	865
Harden (S)	67	413	418	898
Hastings	364	340	433	1,137
Hawkesbury (C)	210	398	263	871
Hay (S)	45	131	589	765
Holbrook (S)	38	171	222	431
Holroyd (C)	312	0	0	312
Hornsby (S)	460	92	44	596
Hume (S)	67	224	403	694
Hunters Hill (M)	61	0	0	61
Hurstville (C)	210	0	0	210
Inverell (S)	155	294	1,333	1,782
Jerilderie (S)	22	274	698	994
Junee (S)	64	424	329	817
Kempsey (S)	150	285	582	1,017
Kiama (M)	89	79	23	191
Kogarah (M)	169	0	0	169
Ku-Ring-Gai (M)	433	0	0	433
Kyogle	39	193	722	954
Lachlan (S)	119	348	2,778	3,245
Lake Macquarie (C)	946	148	103	1,197
Lane Cove (M)	100	0	0	100
Leeton (S)	91	235	504	830
Leichhardt (M)	176	0	0	176
Lismore (C)	221	410	430	1,061
Lithgow (C)	207	155	288	650
Liverpool (C)	424	198	11	633
Lockhart (S)	94	330	1,059	1,483
Macleay (S)	153	196	168	517
Maitland (C)	293	180	50	523
Manilla (S)	38	81	440	559
Manly	103	0	0	103
Marrickville	190	0	0	190

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)
Merriwa (S)	18	88	442	548
Moree Plains (S)	165	334	2,140	2,639
Mosman (M)	85	0	0	85
Mudgee (S)	92	237	1,016	1,345
Mulwaree (S)	25	337	738	1,100
Murray (S)	56	175	1,012	1,243
Murrumbidgee (S)	25	171	392	588
Murrurundi (S)	26	111	338	475
Muswellbrook (S)	77	375	120	572
Nambucca (S)	94	168	367	629
Narrabri (S)	134	209	1,761	2,104
Narrandera (S)	81	252	1,117	1,450
Narromine (S)	52	496	782	1,330
Newcastle (C)	694	19	1	714
North Sydney	143	0	0	143
Nundle (S)	13	49	221	283
Nymboida (S)	3	133	389	525
Oberon	32	259	442	733
Orange (C)	179	126	55	360
Parkes (S)	146	339	1,281	1,766
Parramatta (C)	482	0	0	482
Parry (S)	59	332	981	1,372
Penrith (C)	674	208	20	902
Pittwater	225	0	4	229
Port Stephens	306	188	51	545
Queanbeyan (C)	185	0	5	190
Quirindi (S)	71	133	592	796
Randwick (C)	269	0	0	269
Richmond River (S)	48	266	510	824
Rockdale (C)	262	0	0	262
Ryde (C)	313	0	0	313
Rylstone (S)	37	141	400	578
Scone (S)	65	145	590	800
Severn (S)	30	205	743	978
Shellharbour (C)	230	27	11	268
Shoalhaven (C)	652	357	417	1,426

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)
Singleton (S)	107	425	164	696
Snowy River (S)	55	213	453	721
South Sydney (C)	199	0	0	199
Strathfield (M)	86	0	0	86
Sutherland Shire (S)	746	14	0	760
Sydney (C)	66	0	0	66
Tallaganda (S)	22	100	458	580
Tamworth (C)	237	54	40	331
Temora (S)	72	254	809	1,135
Tenterfield (S)	75	170	1,136	1,381
Tumbarumba (S)	38	142	291	471
Tumut (S)	93	188	275	556
Tweed (S)	387	352	271	1,010
Ulmarra (S)	52	204	244	500
Uralla (S)	42	235	540	817
Urana (S)	50	194	620	864
Wagga Wagga (C)	448	445	1,079	1,972
Wakool (S)	36	304	933	1,273
Walcha	26	85	654	765
Walgett (S)	64	33	1,853	1,950
Warren (S)	28	287	641	956
Warringah	414	32	2	448
Waverley	110	0	0	110
Weddin (S)	33	388	547	968
Wellington	94	247	901	1,242
Wentworth (S)	44	194	1,702	1,940
Willoughby (C)	202	0	0	202
Windouran (S)	2	206	239	447
Wingecarribee (S)	328	335	307	970
Wollondilly (S)	130	427	113	670
Wollongong (C)	768	94	9	871
Woollahra (M)	135	0	0	135
Wyong (S)	572	246	110	928
Yallaroi (S)	25	140	1,123	1,288
Yarrowluma (S)	25	193	340	558
Yass (S)	57	252	580	889
Young (S)	108	223	726	1,057
Total	29,469	29,180	83,519	142,168

Appendix 1 - Member Profiles

BARBARA ARMITAGE - CHAIRPERSON

Ms Armitage was a Councilor Waverley Council for twenty years (Ms Armitage did not contest the September 1999 local government elections), being the State's longest serving female Mayor with ten years service as Mayor of Waverley. She is also a member of the Premier's Crime Prevention Council and is an accredited mediator with the Community Justice Centre. Ms 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. Ms Armitage is also actively involved in community groups as well as various environmental groups.

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

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

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

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 1967-1994. Prof Daly is now actively involved in research and writing on economic planning and development issues in Australia and the Asian Pacific region.

Appendix 2 - Councils Visited During 1998/1999

Council	Date Visited
Hornsby Shire	30 July 1998
Baulkham Hills Shire	31 July 1998
Blacktown City	31 July 1998
Kogarah Municipal	27 August 1998
Marrickville	27 August 1998
Botany	28 August 1998
Rockdale City	28 August 1998
Bankstown City	24 September 1998
Campbelltown City	24 September 1998
Auburn	25 September 1998
Leichhardt Municipal	25 September 1998
Coolah Shire	27 November 1998
Warren Shire	27 November 1998
Hastings	28 November 1998
Kempsey Shire	28 November 1998
Wingecarribee Shire	3 December 1998
Murrurundi Shire	25 February 1999
Nundle Shire	25 February 1999
Dumaresq Shire	26 February 1999
Uralla Shire	26 February 1999
Holroyd City	25 March 1999
Parramatta City	25 March 1999
Hurstville City	26 March 1999
Shoalhaven City	26 March 1999
Scone Shire	27 May 1999
Merriwa Shire	28 May 1999
Muswellbrook Shire	28 May 1999
Total	27

Appendix 3 - Standards Used in Calculation of Expenditure Allowance 1999/2000

State average net expenditure, excluding extreme values, is based on 1997/1998 Statement of Accounts, Special Schedule 1 (see footnote).

1.	Administration administration: corporate support; other support services	\$96.21
2.	Aerodromes transport & communication: aerodromes	\$1.19
3.	Aged Persons' Services community services & education: aged & disabled	\$1.40
4.	Animal Control public order & safety: animal control	\$1.20
5.	Building Control mining, manufacturing & construction: building control	\$2.03
6.	Cemeteries housing & community amenities: public cemeteries	\$0.50
7.	Children's Services health: immunisation community services & education: family day care; child care; other families & children	\$2.33
8.	Community Services community services & education: administration; education; migrant services; aboriginal services; youth services; other community amenities.	\$6.04
9.	Cultural Facilities recreation & culture: museums; art galleries; public halls; other cultural services	\$6.70
10.	Fire Control and Emergency Services public order & safety: fire protection; emergency services; statutory contributions to fire service levy	\$10.70

Appendix 3 - Standards Used in Calculation of Expenditure Allowance 1999/2000

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	\$9.71
12.	Libraries recreation & culture: public libraries	\$19.40
13.	Noxious Plants and Pest Control (per non-urban property) health: noxious plants	\$50.05
14.	Planning housing & community amenities: town planning	\$10.12
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	\$52.13
16.	Stormwater Drainage and Flood Control (per urban property) housing & community amenities: environmental protection; urban stormwater drainage	\$20.74
17.	Street and Gutter Cleaning (per urban property) housing & community amenities: street cleaning	\$23.12
18.	Street Lighting (per urban property) transport & communication: street lighting	\$21.92

Appendix 3 - Standards Used in Calculation of Expenditure Allowance 1999/2000

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	\$6,772.91
	(b) urban length (m) per urban properties	12.66m
	(c) cost of maintenance of bridges and culverts per network km of roads	\$89.66
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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	\$2,750.67
	(b) sealed rural length (m) per non-urban properties	215.58m
	(c) cost of maintenance of bridges and culverts per network km of roads	\$150.74
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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	\$1,124.02
	(b) urban length (m) per non-urban properties	617.04m
	(c) cost of maintenance of bridges and culverts per network km of roads	\$47.91

*Notes: Unless otherwise shown, costs are per capita
Where councils failed to provide timely data, 1996/1997 data was used.*

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

EXPENDITURE ALLOWANCES

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

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

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

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.

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

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 1997/1998.

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

Appendix 5 - Details of Calculation of Expenditure Disability Factors

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.

ADMINISTRATION

ABORIGINAL AND/OR TORRES STRAIT ISLANDER

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

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

Source: Australian Bureau of Statistics (ABS), 1996 Census (Usual Residents Profile), Catalogue No. 2722.1.

Standard: 1.69%

Weighting: 0.005

ECONOMIES OF 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 1998, Catalogue No. 3234.1.

Standard: 100

Weighting: 0.600

Appendix 5 - Details of Calculation of Expenditure Disability Factors

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: 0.050

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: ABS, Population, New South Wales, 30 June 1998, No. 3234.1 and Estimated Resident Population of Statistical Local Areas New South Wales Preliminary at 30 June 1993, No. 3210.1.

Standard: 1.15%

Weighting: 0.011

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

Standard: 100

Weighting: 0.750

Appendix 5 - Details of Calculation of Expenditure Disability Factors

SPARSITY

Recognises: additional costs due to large council areas.

Measure: area (sq km) per capita.

Source: ABS, Population, New South Wales, 30 June 1998, Catalogue No. 3234.1.

Standard: 0.29

Weighting: 0.009

AERODROMES

NET EXPENDITURE - AERODROMES

Recognises: above average expenditure, which is generally beyond council control.

Measure: adjusted net expenditure per capita averaged over 5 years.

Source: Special Schedule 1, 1993, 1994/1995, 1995/1996, 1996/1997, 1997/1998, ABS, Population, New South Wales, 30 June 1998, No. 3234.1.

Standard: \$1.19

Weighting: 1.000

AGED PERSONS' SERVICES

AGED PERSONS (60 years and over)

Recognises: additional need for services.

Measure: proportion of the population aged 60 years and over.

Source: ABS, Population by Age and Sex - 30 June 1997, Catalogue No 3235.1.

Standard: 16.73%

Weighting: 1.000

PENSIONERS

Recognises: additional council responsibility for aged services.

Measure: proportion of the population receiving the aged pension, and mature age allowances.

Source: Department of Social Security, Customers by Postcodes - June 1998, (Recipients of Pensions, Benefits and Family Payments in Postcodes).

Appendix 5 - Details of Calculation of Expenditure Disability Factors

Standard: 12.02%

Weighting: 1.200

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

ANIMAL CONTROL

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: 0.070

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: $R = 6.25 + 611.0a + -0.00125b$.

Source: Special Schedule 1, 1997/1998; ABS, Regional Statistics 1998, Catalogue No. 1304.1.

Standard: 9.66

Weighting: 1.000 (upper maximum DF of 100)

Appendix 5 - Details of Calculation of Expenditure Disability Factors

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: 0.100

NON-RESIDENTIAL PROPERTIES

Recognises: greater complexity of processing development applications.

Measure: number of urban properties which are classified as "business" per hundred of population.

Source: Grants Commission return, 1997/1998.

Standard: 2.21

Weighting: 0.123

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: 0.020

CEMETERIES

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

Appendix 5 - Details of Calculation of Expenditure Disability Factors

CHILDREN'S SERVICES

ONE PARENT FAMILIES

Recognises: additional need for child care and the like.

Measure: 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".

Source: ABS, 1996 Census, Family & Labour Force Characteristics for SLAs, New South Wales, Catalogue No. 2017.1.

Standard: 15.08%

Weighting: 0.815

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: 0.001

PRE-SCHOOL CHILDREN (0-4 years)

Recognises: additional need for services targeted at this age group which makes up the bulk of local government involvement in children's services.

Measure: proportion of the population in 0-4 years age group.

Source: ABS, Population by Age and Sex - 30 June 1997, Catalogue No 3235.1.

Standard: 6.99%

Weighting: 1.000

Appendix 5 - Details of Calculation of Expenditure Disability Factors

COMMUNITY SERVICES

ABORIGINAL AND/OR TORRES STRAIT ISLANDER

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

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

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

Standard: 1.69%

Weighting: 0.116

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: 0.175

OCCUPATION

Recognises: additional council responsibility for community services in areas of low socio-economic status.

Measure: proportion of the employed persons in lower socioeconomic occupational groups.

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

Standard: 25.42%

Weighting: 0.750

PENSION AND BENEFIT RECIPIENTS

Recognises: low income persons as a target group for community services.

Measure: proportion of the population receiving social security pensions.

Source: Department of Social Security, Customers by Postcodes - June 1998, (Recipients of Pensions, Benefits and Family Payments in Postcodes).

Standard: 26.71%

Weighting: 0.965

Appendix 5 - Details of Calculation of Expenditure Disability Factors

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: 0.001

YOUTH (15 - 24 years)

Recognises: youth as a target group for community services.

Measure: proportion of population in the 15-24 years age group.

Source: ABS, Population by Age and Sex - 30 June 1997, Catalogue No 3235.1.

Standard: 14.03%

Weighting: 0.200

CULTURAL FACILITIES

DUPLICATION OF HALLS

Recognises: the additional costs related to the provision of facilities in a number of centres of less than optimum population size.

Measure: number of licensed halls multiplied by the standard net loss per hall divided by the LGA population for non-metropolitan councils.

Source: Grants Commission Return, 1997/1998; Special Schedule 1, 1997/1998; ABS, Population, New South Wales, 30 June 1998, No. 3234.1

Standard: 3.22

Weighting: 0.100 (upper maximum of DF 25)

NON-RESIDENT USE - CULTURAL FACILITIES

Recognises: additional cost of the provision of higher order facilities in regional centres.

Measure: major regional centres receive a score of 50 based on sampling; other regional centres receive less than 50 based on Commission assessments.

Source: Grants Commission return, 1997/1998.

Standard: 100

Weighting: 1.000

Appendix 5 - Details of Calculation of Expenditure Disability Factors

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, 1997/1998.

Standard: 0.05

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, 1997/1998.

Standard: 16.23

Weighting: 0.027

SUBSIDISED BUSHFIRE EXPENDITURE

Recognises: the relative need for expenditure as assessed by an independent body.

Measure: average grant from the NSW Rural Fire Service for a five year period, per capita. (1994/1995 - 1998/1999).

Source: Bush Fire Brigades of NSW Annual Reports; 1994/1995, 1995/1996. 1996/1997, 1997/1998, 1998/1999 data by special request from the NSW Rural Fire Service.

Standard: 8.96

Weighting: 0.500 (upper maximum DF of 1,500)

URBAN FIRE LEVY

Recognises: payment of this levy is the major local government expenditure in this area.

Measure: actual contributions by Local Government Area, per capita.

Source: 1998/1999 data by special request from the NSW Fire Brigades.

Standard: 5.71

Weighting: 0.450

Appendix 5 - Details of Calculation of Expenditure Disability Factors

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, 1997/1998.

Standard: 5.77

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: 0.100

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, 1997/1998; Special Schedule 1, 1997/1998.

Standard: 100

Weighting: 0.204

Appendix 5 - Details of Calculation of Expenditure Disability Factors

VANDALISM AND CRIME

Recognises: additional costs associated with repairing damage to public property.

Measure: the ranking of total incidents to the population of the Local Government Area for the 1997 calendar year.

Source: NSW Bureau of Crime Statistics and Research, data by special request, 1999.

Standard: 1.27%

Weighting: 0.022

LIBRARIES

AGED PERSONS (60 years and over)

Recognises: additional cost of providing specialist services and materials.

Measure: proportion of the population aged 60 years and over.

Source: ABS, Population by Age and Sex - 30 June 1997, Catalogue No 3235.1.

Standard: 16.73%

Weighting: 0.260

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: 0.125

NON-RESIDENT BORROWERS

Recognises: additional cost of providing services for non-residents.

Measure: percentage of non-resident borrowers plus 100.

Source: Grants Commission return, 1997/1998.

Standard: 107.55

Weighting: 1.225

Appendix 5 - Details of Calculation of Expenditure Disability Factors

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: 0.018

STUDENTS - FULL TIME

Recognises: students as a major user group of library services.

Measure: proportion of the population attending an educational institution full time.

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

Standard: 19.52%

Weighting: 0.195

PLANNING

DEVELOPMENT ACTIVITY

Recognises: additional costs in development control.

Measure: 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).

The formula is $R = 5.22 + 893.42a + -0.0008b$.

Source: Special Schedule 1, 1997/1998; ABS, Regional Statistics 1998, Catalogue No. 1304.1.

Standard: 11.15

Weighting: 0.750 (upper maximum DF of 100)

ENVIRONMENTAL SENSITIVITY

Recognises: additional costs of being classified as "environmental sensitive" by the Environment Protection Authority.

Measure: councils are divided into 5 categories on the basis of environmentally sensitive areas; (extreme 20%, very high 15%, high 10%, above average 5%, average and below 0).

Source: Environment Protection Authority, 1999, data by special request.

Standard: 1

Weighting: 0.050

Appendix 5 - Details of Calculation of Expenditure Disability Factors

HERITAGE/ENVIRONMENT

Recognises: additional costs due to greater complexity in plan preparation and development control.

Measure: 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).

Source: Grants Commission in consultation with the Heritage Council and Environment Protection Authority, 1993.

Standard: 1

Weighting: 0.050

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: 0.050

NON-RESIDENTIAL URBAN PROPERTIES

Recognises: greater complexity of processing development applications.

Measure: number of urban properties which are classified as "business" per hundred of population.

Source: Grants Commission return, 1997/1998.

Standard: 2.23

Weighting: 0.210

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: 0.016

Appendix 5 - Details of Calculation of Expenditure Disability Factors

POPULATION GROWTH

Recognises: additional cost of forward planning in high growth areas.

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

Source: ABS, Population, New South Wales, 30 June 1998, No. 3234.1 and Estimated Resident Population of Statistical Local Areas New South Wales Preliminary at 30 June 1993, No. 3210.1.

Standard: 1.15%

Weighting: 0.067

REGIONAL CENTRES AND SECONDARY CBDs

Recognises: additional costs of forward planning generally related to non-resident use.

Measure: range of disabilities between 0 and 24 recognising extra planning expenditure necessary.

Source: Department of Urban Affairs and Planning, 1999, data by special request.

Standard: 100

Weighting: 1.000

RECREATION

AGE STRUCTURE (5-29 years)

Recognises: additional need for facilities due to a high proportion of population in the sport-playing age group.

Measure: proportion of the population in the 5-29 years age group.

Source: ABS, Population by Age and Sex - 30 June 1997, Catalogue No 3235.1.

Standard: 35.73%

Weighting: 1.000

BEACH LIFESAVING

Recognises: cost of additional facilities associated with beaches, principally lifesavers.

Measure: ocean-front, bay-side and harbour-side councils score a disability in the range 0-25 as determined by the Commission.

Source: Grants Commission.

Standard: 100

Weighting: 1.000

Appendix 5 - Details of Calculation of Expenditure Disability Factors

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 urban centre above 200 population in turn.

Source: Based on Research Study 1, Sydney Region Open Space Survey, NSW Planning and Environment Commission, 1975.

Standard: 1.12

Weighting: 0.460

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, 1997/1998; Special Schedule 1, 1997/1998; ABS, Population, New South Wales, 30 June 1998, No. 3234.1.

Standard: 4.36

Weighting: 0.070

Appendix 5 - Details of Calculation of Expenditure Disability Factors

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: 1.000

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: 1.000

POPULATION DISTRIBUTION

Recognises: cost 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: 0.003

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: ABS, Population, New South Wales, 30 June 1998, No. 3234.1.

Standard: 1,250

Weighting: 0.200 (upper maximum DF of 22.5)

Appendix 5 - Details of Calculation of Expenditure Disability Factors

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, 1997/1998.

Standard: 1.00

Weighting: 2.250

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, 1997/1998.

Standard: 0.19

Weighting: 0.010

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: 1.00

Weighting: 1.885

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, 1997/1998.

Standard: 6.06%

Weighting: 0.750 (upper maximum DF of 75)

Appendix 5 - Details of Calculation of Expenditure Disability Factors

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: ABS, Population, New South Wales, 30 June 1998, No. 3234.1.

Standard: 1,250

Weighting: 0.200 (upper maximum DF of 35)

STREET LIGHTING

NET EXPENDITURE – STREET LIGHTING

Recognises: additional expenditure largely beyond the control of individual councils.

Measure: adjusted net expenditure per urban property averaged over 3 years.

Source: Grants Commission return, 1997/1998; Special Schedule 1, 1995/1996, 1996/1997, 1997/1998.

Standard: 100

Weighting: 1.000

NOXIOUS PLANTS AND PEST CONTROL

INFESTATION

Recognises: increased costs in areas of high weed infestation.

Measure: a disability factor determined by the Commission based on a Noxious Plant Advisory Board index.

Source: Division of Plant Industries, Department of Agriculture, 1999, data by special request.

Standard: Low

Weighting: N/A

TERRAIN

Recognises: additional costs related to access and constraints on using machinery in mountainous areas.

Measure: disability factors based on the proportion of council areas classified "mountainous" or "hilly".

Source: 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.

Standard: N/A

Weighting: N/A

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

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:

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.

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.

4. Other Grant Support

Other relevant grant support provided to local governing bodies to meet any of the expenditure needs assessed should be taken into account using an inclusion approach.

5. Aboriginal 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.

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:

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.

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

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.

 2. the assessment of revenue and expenditure allowances of local governing bodies will, as far as is practicable, be independent of the policy or practices of those bodies in raising revenue and the provision of services.

 3. revenue raising capacity will primarily be determined on the basis of property values; positive and negative allowances relative to average standards may be calculated.

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

 5. generally for each expenditure function an allowance will be determined using recurrent cost; both positive and negative allowances relative to average standards may be calculated.

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

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

 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.

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

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.

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

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.

Appendix 9 - 1998/1999 Road and Bridge Length Audit Summary Report

BACKGROUND

The Grants Commission began council road and bridge audits during 1992/1993. The audits resulted from a decision of the 1990 Special Premiers' Conference to "untie" the local roads grants and pay them as general purpose grant. This decision moved the administrative responsibility for 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 has been contracted by the Commission to undertake the audits. The auditor was selected on the recommendation of the NSW Institute of Municipal Engineers.

- eight councils were audited during 1992/1993
- eleven in 1993/1994 (including 3 follow-ups to the 1992/1993 audits)
- eight in 1994/1995 (including 1 follow-up)
- nine in 1995/1996
- seven in 1996/1997
- seven in 1997/1998
- six this year

The audit program is likely to continue in 1999/2000.

THE PROJECT

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

Summary of 1999 Audit Results

The auditor found that:

- the general standard of road data was good to very good for most councils with one council having poor data.
- bridge data varied from fair to very good, however, it was generally less reliable than the road data.

Audits took from 15 to 20 hours. The time taken was closely related to the physical size of the council area.

The auditor reported that each of the councils audited had some form of computer database but the quality of the data varied widely. One council was found to have such unreliable computer data that it could not be utilised for audit purposes and historical data of somewhat doubtful quality had to be used.

Appendix 9 - 1998/1999 Road and Bridge Length Audit Summary Report

As in previous years it appeared that for some councils bridge data had only been compiled after an audit was advised or when the Grants Commission queried bridge data.

Some of the computer software systems being utilised were not readily adaptable to obtaining the specific data required by the Commission. Considerable difficulty was encountered on several occasions obtaining relatively simple data reports to verify against the Commission's returns.

The auditor reported that those councils that had procedures in place to routinely recheck their road and bridge data had the most reliable pavement management systems.

The auditor also reported that in some cases council officers preparing the Commission's data returns did not read or ignored the guidelines, particularly in respect to bridges. There were instances where pedestrian bridges, bridges in parks, culverts of less than 6 metres in length and bridges on regional roads were included in the data returns. Alternatively, in some cases councils neglected to include major culverts in their returns.

All the councils audited had to submit amended statistics. In most cases, however, variations were not substantial.

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 - 1998 Information Data Returns

The Grants Commission would like to extend its sincere thanks to those councils that submitted their 1998 Information Data Returns by the required due by date, thereby facilitating the timely determination of grants.

130 Councils submitted their General Return by the due date:

Albury	Corowa	Ku-ring-gai	Rockdale
Armidale	Cowra	Kyogle	Ryde
Ballina	Crookwell	Lachlan	Rylstone
Balranald	Culcairn	Lake Macquarie	Scone
Bathurst	Deniliquin	Lane Cove	Severn
Baulkham Hills	Dumaresq	Leeton	Shellharbour
Bellingen	Dungog	Lismore	Shoalhaven
Berrigan	Eurobodalla	Lithgow	Singleton
Bingara	Evans	Maitland	Strathfield
Blacktown	Fairfield	Manilla	Sutherland
Bland	Forbes	Manly	Tallaganda
Blayney	Gilgandra	Merriwa	Temora
Bombala	Glen Innes	Mosman	Tumbarumba
Botany Bay	Gloucester	Mudgee	Tumut
Bourke	Gosford	Mulwaree	Tweed
Brewarrina	Goulburn	Murray	Uralla
Burwood	Grafton	Murrurundi	Urana
Byron	Great Lakes	Muswellbrook	Wakool
Cabonne	Greater Taree	Nambucca	Walcha
Campbelltown	Gunnedah	Narrandera	Warren
Canterbury	Gunning	Narromine	Waverley
Casino	Guyra	North Sydney	Wellington
Cessnock	Harden	Nundle	Wentworth
Cobar	Hastings	Nymboida	Willoughby
Coffs Harbour	Hawkesbury	Orange	Windouran
Conargo	Hay	Parkes	Wingecarribee
Concord	Holbrook	Parramatta	Wollondilly
Coolah	Holroyd	Penrith	Wyong
Coolamon	Hornsby	Pittwater	Yallaroi
Cooma-Monaro	Hume	Port Stephens	Yarrowlumla
Coonabarabran	Inverell	Quirindi	Yass
Coonamble	Jerilderie	Randwick	
Cootamundra	Kiama	Richmond River	

Appendix 10 - 1998 Information Data Returns

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

Albury	Cowra	Ku-ring-gai	Randwick
Armidale	Crookwell	Kyogle	Rockdale
Auburn	Culcairn	Lachlan	Ryde
Balranald	Deniliquin	Lake Macquarie	Rylstone
Barraba	Drummoyne	Lane Cove	Scone
Bathurst	Dubbo	Leeton	Severn
Baulkham Hills	Dumaresq	Leichhardt	Shellharbour
Bega Valley	Dungog	Lithgow	Shoalhaven
Bellingen	Eurobodalla	Liverpool	Singleton
Berrigan	Evans	Lockhart	South Sydney
Bingara	Fairfield	Macleay	Strathfield
Blacktown	Forbes	Maitland	Sutherland
Bland	Gilgandra	Manilla	Tallaganda
Blue Mountains	Glen Innes	Manly	Temora
Bogan	Gosford	Marrickville	Tenterfield
Bombala	Goulburn	Mosman	Tumbarumba
Boorowa	Great Lakes	Mudgee	Tumut
Botany Bay	Greater Taree	Mulwaree	Tweed
Bourke	Griffith	Murray	Ulmarra
Broken Hill	Gundagai	Murrumbidgee	Uralla
Cabonne	Gunnedah	Murrurundi	Urana
Camden	Gunning	Muswellbrook	Wagga Wagga
Campbelltown	Guyra	Nambucca	Wakool
Canterbury	Harden	Narrandera	Walcha
Carrathool	Hawkesbury	Narromine	Warren
Casino	Hay	Newcastle	Wellington
Cessnock	Holbrook	North Sydney	Wentworth
Cobar	Holroyd	Nundle	Willoughby
Coffs Harbour	Hornsby	Orange	Windouran
Concord	Hume	Parkes	Wingecarribee
Coolah	Inverell	Parramatta	Wollongong
Coolamon	Jerilderie	Parry	Woolahra
Cooma-Monaro	Junee	Penrith	Wyong
Coonabarabran	Kempsey	Pittwater	Yarrowlumla
Cootamundra	Kiama	Queanbeyan	Yass
Copmanhurst	Kogarah	Quirindi	

Glossary

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.

Glossary

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 2.5% and the actual final figure is below 2.5%, then an overpayment occurs; if the final figure is above 2.5% 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.

Glossary

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.