



DEPARTMENT OF TRANSPORT AND REGIONAL SERVICES

2000–01 Report on the operation
of the *Local Government
(Financial Assistance) Act 1995*

◆
LOCAL
GOVERNMENT
NATIONAL
REPORT
◆

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GOVERNMENT

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Cover photos (left to right)

Citizenship ceremony, Hobart City Council,
Tasmania

Tambellup Shire Council offices, Western
Australia

New tourist camping ground, Ntaria
Community, Northern Territory

Ground-penetrating radar road monitoring,
Shire of Campaspe, Victoria

Mental health project, Prospect City Council,
New South Wales

Active Australia Day, Salisbury City Council,
South Australia

FOREWORD



I am pleased to present to Parliament, the sixth annual report on the operation of the *Local Government (Financial Assistance) Act 1995*.

This report, on the distribution of Federal Government financial assistance grants to local governments has been prepared with the cooperation of not only councils, but also State and Territory Governments who administer Federal grant distribution through their local government grants commissions. In 2000–01, the Federal Government provided more than \$1.3 billion in financial assistance grants to Australian local councils and this report features information on how the funds are distributed in accordance with agreed national principles of equity and fairness.

Local government is a publicly accountable key player in all our lives, providing us with a wide range of day-to-day essential services and responding to local community priorities. As well as recording the distribution of Federal Government grants, the report records the efficiency and effectiveness with which local government, as a significant and vital sector of the Australian economy, provides service and administers funds for the benefit of more than 700 local communities in every part of the country.

It also reports on the review of the operation of the *Local Government (Financial Assistance)*

Act 1995 carried out by the Commonwealth Grants Commission in 2000–01. The Commission's report was presented to the Government in June 2001. In it, the Grants Commission recommended an enhanced role for this report in providing improved transparency and accountability of local government grants commissions to councils on the way they distribute grants and in monitoring compliance of their methods with the National Principles.

This report records community action on issues as diverse as urban planning, local infrastructure construction and maintenance, public order and safety, water supply, waste management, services to the very young and the old, salinity and constructive leisure. At the same time, it looks to the future and records the adaptability and advanced thinking of a strong and durable democratic institution. It reports on adoption of leading practice and new technology through initiatives such as the National Award for Innovation in Local Government.

I commend to you this report on the operation of the *Local Government Financial Assistance Act 1995* in 2000–01.

A handwritten signature in black ink that reads "Wilson Tuckey". The signature is written in a cursive style with a large, looped 'y' at the end.

Minister for Regional Services, Territories and Local Government

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CHAPTER 1

PURPOSE OF THE REPORT

Following a review in 1994 of the *Local Government (Financial Assistance) Act 1986*, the Federal Government introduced the requirement that the Federal Minister report to Parliament each year on the operation of the replacement 1995 legislation. The review recommended that there be uniform national reporting on the main features of local government finance. The Minister is required to provide this report 'as soon as practicable' after 30 June each year.

The purpose of the reporting is to enable the Federal Government to monitor how grant funds are allocated by the State Grants Commissions as well as allowing the three spheres of government to compare outcomes between similar local governing bodies in different States.

Each year since the 1995 Act was enacted, the Federal Minister has tabled a report in Parliament. This is the sixth report, commonly referred to as the Local Government National Report. The purpose of the National Report is to:

- increase transparency and accountability of State local government grants commissions in distributing the Federal Government's grants to local government;

- promote consistency in the methods by which grants are allocated to achieve equitable levels of services by local government; and
- promote efficiency and effectiveness of local government in performing their functions.

The report increases transparency by providing, to the Federal Parliament, all councils and the State Departments of Local Government, comprehensive and comparable information on the distribution of financial assistance grants to local government. It does this by identifying local governing bodies eligible for grants, by classifying them in accordance with their relative population size, density and proportion of urban area, using the Australian Classification of Local Government (ACLG). It then lists the amount of Financial Assistance Grant that councils received in the reporting year and the amount they are entitled to receive in the following year in accordance with the principles of the Act (reproduced at Appendix A). To promote consistency in the methods by which grants are allocated, the report includes advice from each of the local government grants commissions on their methods. It also identifies where the methods differ from one State to another and from year to year. This information is at Appendix B.

In June 2000, the Federal Minister requested that the Commonwealth Grants Commission review the *Local Government (Financial Assistance) Act 1995* and the recommendations arising from that review are at Appendix C.

A list of all councils, including the grants they receive, their population, area and local road length, is at Appendix D. Appendix E lists councils by relative need and Appendix F provides details of ACLG classifications.

The efficiency and effectiveness of councils are related to their delivery mechanisms and relative satisfaction of the communities they serve. This Report incorporates input from State Departments responsible for local government and some of the Local Government Associations on the progress of councils towards measuring performance across the State as well as the use of service charters and locally relevant competitive tendering. This information forms part of chapter 4 and individual reports from the States are at Appendix G. Councils must also operate in the wider context of microeconomic reform, particularly National Competition Policy, and Appendix H comprises reports from the States on their progress towards microeconomic reform.

The Federal Government recognises that local government's efficiency and effectiveness is affected not only by the range of resources it can call upon and the way in which it delivers the services within its ambit, but also by its capacity to be responsive to the community's changing needs.

To help local government respond, at a regional level and to specific needs in a national context, the Federal Government provides additional funding to local government. It does this through specific purpose payments such as for aged care and childcare and through programme funds distributed directly to local government such as Local Government Online (part of Networking the Nation) and the environmental programmes

addressing water, soil and salinity management (part of Natural Heritage Trust programmes). Through programmes such as Local Government Online and the Local Government Incentive Programme, councils are assisted in delivering their programmes efficiently and effectively to communities. Details of Federal Government programmes for local government are included in chapter 4.

Infrastructure is a major issue for all communities, particularly those in regional and remote Australia. Significant proportions of local roads and other essential services are constructed and maintained by local government, and a discussion of the essential role of local government in provision and repair of infrastructure is included in chapter 5.

Chapter 6 reports on the operation of a specific aspect of the *Local Government (Financial Assistance) Act 1995* that requires a report on delivery of services by councils to Aboriginal and Torres Strait Islander communities. This includes reports in response to the Council of Australian Governments request to all Ministerial Councils to prepare an action plan to advance reconciliation with Australia's Indigenous peoples.

In chapter 7 the report focuses on the opportunities and challenges of the future for local government. It discusses the outcomes of the Commonwealth Grants Commission review of the operation of the *Local Government (Financial Assistance) Act 1995*, as well as some directions for local government in structural reform and resource sharing, and leading practice in asset management.

In the appendixes, the reader will find useful background material on councils in general, contacts for further information (Appendix L) and maps (Appendix M), and details of Federal Government funding provided over the year to local government including through the Local Government Incentive Programme. Information

on the Local Government Incentive Programme funding provided in 2000–01 is at Appendix J.

The Federal Government seeks to encourage innovation and disseminate information about initiatives by individual councils that represent leading practice. One of the ways it does this is by presenting each year the National Awards for Innovation in Local Government. Appendix K details the winners in 2001.

Councils have some capacity to 'self assess' their relative effectiveness with reference to national statistics on social disadvantage, accessibility and remoteness. Appendix M describes some of the sources available to local government in this assessment. It also reports on an Australian Bureau of Statistics review, carried out in early 2001, on local government statistics, their collection, distribution and the role of local government in making this information available to key stakeholders. The appendix concludes with an explanation of the maps in the back cover of the report.

CHAPTER 2

LOCAL GOVERNMENT IN AUSTRALIA

Local government in Australia plays a small but significant role in the Australian economy. The institutional framework for local government and local government's structure and functions are quite different to those in other countries. This chapter provides an overview of some of the unique characteristics of Australian local government and some of the key policy issues associated with it.

Size of the sector

In 1999–2000, local government had a revenue of over \$16 billion (around 2.5 per cent of GDP), with about 37 per cent of its income derived from taxes (mainly rates), about 32 per cent from sale of goods and services, about 13 per cent from grants and subsidies, 3 per cent from interest and 16 per cent from other sources. It employs close to 140,000 people in 727 local governing bodies (including approximately 100 Indigenous or other community bodies). Local government is responsible for infrastructure worth more than \$130 billion. For more details on the financial situation of local government see 'Local government finance' later in this chapter, and for more details on infrastructure and the role of local government, see chapter 5.

Constitutional basis for local government

Constitutional responsibility for local government lies with States and Territories, which provide the legal framework for councils' operations. As a result, there are significant differences in the responsibilities of councils and in the State systems for overseeing them and the services they deliver. Local government is not recognised in the Australian Constitution and the Federal Government's role focuses on monitoring local government efficient and effective performance of their functions in relation to the *Local Government (Financial Assistance) Act 1995*. For more information about the different structures of local government, their election and remuneration processes, see 'Local governance' later in this chapter.

Diversity

One of the most striking characteristics of Australia's 727 local governing bodies is their diversity. Areas of significant difference include:

- size and area of population represented;
- range and scale of functions;

Table 2.1: Distribution of urban, regional and rural councils (no. and %) by State at June 2001

	NSW	Vic	Qld	WA	SA	Tas	NT	Total
Urban	44	33	13	29	19	2	2	142
<i>Per cent of total</i>	<i>25</i>	<i>42</i>	<i>8</i>	<i>20</i>	<i>26</i>	<i>7</i>	<i>3</i>	<i>20</i>
Regional and Rural	132	46	144	113	55	27	68	585
<i>Per cent of total</i>	<i>75</i>	<i>58</i>	<i>92</i>	<i>80</i>	<i>74</i>	<i>93</i>	<i>97</i>	<i>80</i>
Total	176	79	157	142	74	29	69	727

- councils' fiscal position (including wide disparity in revenue-raising capacity), resources and skills base;
- differing physical, economic, social and cultural environments of local government areas;
- differing attitudes and aspirations of local communities;
- structures of power and influence within local communities and the extent to which elected representatives reflect a broad range of opinion; and
- the varying State legislative frameworks within which councils operate, including voting rights and electoral systems.

Indigenous councils also are established under different models in different States.

According to the latest update of the Australian Classification of Local Governments (ACLG) at Appendix F, 585 councils, or just over 80 per cent of councils across Australia, are categorised as 'regional' or 'rural' (see table 2.1).

Diversity is as great within States as it is between States and goes beyond rural/metropolitan differences. Table 2.2 gives some flavour of this diversity, showing, for a selection of councils, the range of areas, populations, local road lengths, income from rates and financial assistance grants per capita. For example, the population of a metropolitan council such as East Fremantle of 6,649 is similar to that of a rural agricultural

council like Buloke of 7,526 despite the disparity in area: 3 sq km and 8,002 sq km respectively.

Total grants per capita in remote areas are significantly higher than urban, regional or rural areas. This can be explained by the greater need for assistance in accessing services in remote areas like Murchison in Western Australia with a population of 145 and an area of 43,800 sq km. Per capita grant versus per capita rate income varies significantly. For example, Surf Coast Council in Victoria generates the same rate income per capita as Gosford City in New South Wales, with similar area and road length, but Surf Coast received twice as much general purpose financial assistance grant per capita as did Gosford City. Appendix D lists all councils, the area they cover, their population, their local road length and details of financial assistance grants they receive.

Local government's changing role

Local government's role has expanded significantly in the last few decades. There has been some devolution of functions to local government by other spheres of government. Other factors, such as changing community expectations of government, deregulation of markets, competition policy, technological change, industrial relations reform and privatisation of public utilities, have also had a profound impact. Local government reform programmes, implemented by some State

Table 2.2: Characteristics of selected councils, 2000–01

Council	State	Classification	Population	Area (sq km)	Road length (km)	Rate income (\$)	Rate income (\$/capita)	2000–01 actual entitlement			
								General purpose (\$)	Roads (\$)	Total grant (\$)	Grant per capita
Monash#	Vic	Metropolitan developed	162,577	82	651	37,568,000	231.08	2,368,000	954,398	3,322,398	20.44
East Fremantle#	WA	Metropolitan developed	6,649	3	36	4,019,050	604.46	96,835	47,776	144,611	21.75
Gosford City	NSW	Urban fringe	158,172	1,028	1,034	87,576,473	553.68	6,008,988	1,359,580	7,368,568	46.59
Adelaide Hills	SA	Urban fringe	38,778	796	1,110	11,055,000	285.08	1,060,743	470,072	1,530,815	39.48
East Gippsland	Vic	Regional town	39,352	20,946	3,289	17,185,000	436.70	4,194,000	2,221,550	6,415,550	163.03
Glenorchy#	Tas	Regional town	43,860	2,522	290	28,298,829	645.21	636,045	800,899	1,436,944	32.76
Roxby Downs#	SA	Regional town	4,063	110	34	1,020,000	251.05	58,983	31,597	90,580	22.29
Surf Coast	Vic	Rural growth	19,226	1,554	949	10,595,000	551.08	856,000	812,831	1,668,831	86.80
Busselton	WA	Rural growth	21,568	1,454	955	7,040,816	326.45	414,525	1,134,924	1,549,449	71.84
Buloke	Vic	Rural agricultural	7,526	8,002	5,427	3,987,000	529.76	1,726,000	1,122,735	2,848,735	378.52
Bogan Shire	NSW	Rural agricultural	3,252	14,610	1,410	2,418,962	743.84	1,118,224	814,340	1,932,564	594.27
Central Darling Shire	NSW	Remote	2,396	51,395	1,602	503,004	209.93	1,547,236	878,884	2,426,120	1,012.57
Murchison	WA	Remote	145	43,800	1,721	67,870	468.07	685,138	407,635	1,092,773	7,536.37

Note: # = Minimum grant

Source: Derived from State Grants Commission unpublished data and the Australian Local Government Guide 30th edition March–July 2001

governments (see chapter 4 for details), have also brought about extensive changes to the structure and operations of councils across Australia.

The combined effect of these changes is that local government is now providing a wider range of services and taking a greater role than ever before in economic and social development and environmental management.

Local government's functions

As noted above, the range and scale of services provided by local government varies. However, some common services include:

- construction and maintenance of key infrastructure including roads and bridges, drainage, waste management;
- regulation of local communities (for example, inspection, licensing and regulation of food premises and animal and noise control);
- environmental management and planning; and
- provision of services such as care of the elderly and recreational facilities.

Unlike its counterpart in some other countries, local government in Australia is not responsible for health or education. There are even significant variations in responsibilities between local governments in different Australian states. For example, local government in Queensland, rural New South Wales and Tasmania has responsibility for water and sewerage – unlike local government in the other States. Local government in the Northern Territory does not have responsibility for planning, the responsibility remains with the Territory government.

In addition to the functions mentioned above, local government is also:

- an advocate and leader for the community;
- an agent for the delivery of services for other spheres of government;

- coordinator of services delivered at the local level; and
- an information broker.

Local government's widespread geographical presence, its powers and responsibilities and strong community links mean it has a significant impact on the daily lives of most Australians. The quality of services provided by local government has a direct bearing on people's standard of living.

Local government in the wider forum

Local government has a significant part to play in the wider forum and there are several avenues for councils to participate at the national and international level.

Local Government Ministers' Conference

In 2000–01 the Local Government Ministers' Conference (LGMC) was the ministerial body that provided a high-level forum for addressing local government issues common to jurisdictions in Australia and New Zealand. The LGMC comprised:

- State and Territory Ministers with responsibility for local government;
- the Commonwealth Minister with responsibility for local government matters;
- the New Zealand Minister with responsibility for local government; and
- the Australian Local Government Association President.

The primary objectives of the LGMC were to:

- provide an intergovernmental forum for information sharing and development of nationally-significant policy on local government issues; and
- sponsor projects which advance local government reform and promote examples of best practice.

The LGMC was an important forum for discussing the common interests and goals of member jurisdictions. It also played an important role in providing a national overview of local government and maintained an important network of officers.

The Commonwealth Government provided a permanent secretariat to LGMC and also to a high-level officer group known as the Local Government Joint Officers' Group which supports the LGMC.

The Local Government Ministers' Council met in Perth in July 2000. At that meeting, Ministers agreed to provide just over \$30,000 from the Council Activities Fund for production of an infrastructure financing option manual for use by all jurisdictions to improve the financing options for infrastructure renewal or replacement.

Ministers noted the broad range of work recently completed and currently under development on the role of local government in natural resource management and dryland salinity. For more details on local government responses to these issues see 'Environmental revenue and expenditure' in chapter 5 and 'Development Assessment Forum' later in this chapter.

Local Government Ministers sought to pursue the development of a nationwide set of performance indicators for local government, and Victoria and South Australia agreed to co-host a meeting of officials from the States, the Commonwealth and Local Government Associations. The outcomes of that meeting are reported under 'Performance indicators' in chapter 4.

The relationship between the Local Government Ministers' Conference and the, recently convened, Regional Development Ministers' meeting and the Planning Ministers' conference was discussed.

At its meeting in November 2000, the Council of Australian Governments decided to combine the Local Government Ministers' Conference

with the Planning Ministers' Conference to form the Local Government and Planning Ministers' Council. Administrative arrangements for such a joint council are yet to be resolved.

Planning Ministers' Conference

The Planning Ministers' Conference comprised State and Territory Ministers for Planning supported by a group of Planning Officials which includes representatives of interest groups such as the Royal Australian Planning Institute, the Royal Australian Institute of Architects and the Property Council of Australia. The most recent meeting of the Planning Ministers was held in Canberra in May 2000.

The agenda of that meeting included:

- the *Environment Protection and Biodiversity Conservation Act 1999*;
- outcomes from the Development Assessment Forum workshop project and the Commonwealth Regulatory Framework project;
- Emergency and Disaster Planning report, *Planning Safer Communities: Land Use Planning for Natural Hazards*;
- role of information technology and e-commerce in planning reform; and
- consideration of observer status for the Royal Australian Planning Institute.

The meeting agreed that the following issues should be taken forward to the next Planning Ministers' Conference:

- regional planning;
- sustainability;
- the quality of urban design; and
- the application of technology to planning and economic development.

The secretariat for Planning Ministers' meetings was rotated. The New South Wales Government was due to host a meeting planned for November

2000 in Sydney. This was postponed pending the Council of Australian Governments decision on a joint body with local government ministers and has not yet been rescheduled.

Development Assessment Forum

The Development Assessment Forum is a combined initiative of Federal, State, Territory and local government, property development industry and relevant professional bodies. Its purpose is to reach agreement across Australia on ways to improve the processes for development approval and cut red tape without sacrificing the quality of the decision making. The initiative has been in operation since 1998. In that time it has commissioned reports on:

- the state of play for planning systems in each State;
- a concepts/scoping paper that included analyses of leading practice principles for development assessment, identification of potential standard definitions in development assessment and case studies of leading practice; and
- Commonwealth planning instruments that impact on the development assessment system.

The Forum also commissioned a series of 15 workshops held in early 2001 in metropolitan and regional centres around Australia. These workshops aimed to gain endorsement for the Forum's Principles of Development Assessment and to establish the level of agreement on preparation of a core set of nationally consistent definitions for assessment. The workshops found that there was generally strong support for the Principles, and an even stronger support for a national approach to definitions. They also found that further work is now needed to refine the broad principles. Those attending the workshop rated training, review of the appeals systems and electronic systems among their highest priorities.

The next scheduled meeting for the Development Assessment Forum was scheduled for Brisbane in early December 2001.

Regional Development Ministers' meeting

Commonwealth, State and Territory Ministers responsible for Regional Development and the President of the Australian Local Government Association met in March 2000. At that meeting they agreed to establish a Taskforce of senior officials to develop a clear framework and principles for better cooperation and collaboration on regional issues across all spheres of government in Australia.

Since then the Regional Development Ministers have met twice. At the November 2000 meeting they agreed to adopt a framework and recommendations of the Taskforce (see box).

Regional Development Ministers Framework for Cooperation

The Framework for Cooperation sets out the role of each sphere of government in regional development and the principles they agreed to follow. These include:

- commitment to minimise duplication and overlap;
- encourage communities to set their own priorities;
- cooperate with each other and with the private sector;
- use existing systems wherever possible;
- build on competitive and comparative advantage for regions; and
- consult with each other wherever possible, particularly where new programmes and services are being developed.

As part of the framework, all spheres of government agreed to:

- build alliances and bilateral agreements for delivering localised community programmes;
- collaborate on the development of information and publication dissemination to provide a streamlined and accessible source of information on government programmes to people living in regional Australia;
- collaborate on economic, social and environmental objectives to ensure sustainability for local communities; and
- encourage better utilisation and leveraging of funds through collaborative assessment of project applications.

Through the Australian Local Government Association, local governments agreed to work together with State, Territory and Commonwealth Governments on economic, social and environmental objectives to ensure communities achieve sustainability.

The November meeting addressed a range of critical ongoing regional development issues. There were particular concerns on infrastructure funding in Victoria and Tasmania; the need for business investment in regional New South Wales; the retention of professional and skilled workers in Western Australia; and zone allowance rebates and the fly-in-fly-out activities of mining company personnel for local communities in Queensland.

Also in November 2000, the Council of Australian Governments agreed to create a new Regional Development Council by amalgamating regional development issues from the Industry, Technology and Regional Development Council and the informal Regional Development Ministers' meeting.

The establishment of the Regional Development Council within a Council of Australian Governments framework will enable regional

development issues to be given more formal consideration across the whole of government.

Australian Local Government Association

The Australian Local Government Association is a federation of associations from each of Australia's six States, and the Northern Territory. Since early 2001 the Australian Local Government Association membership has also included the Australian Capital Territory government. The association aims to add value, at the national level, to the work of State and Territory associations and their member councils.

Local government in the international context

Local government has been involved, at the international level, in the Commonwealth Local Government Forum, the International Union of Local Authorities, and Sister City Relationships – particularly with Japan.

Commonwealth Local Government Forum

The Commonwealth Local Government Forum was founded in 1995, as a focus for action on local democracy in the Commonwealth and was endorsed by Commonwealth Heads of Government at their meeting in New Zealand that year. The Forum works to promote and strengthen effective democratic local government throughout the Commonwealth and to encourage the exchange of information on good practice in local government structures and services.

The then Federal Minister for Local Government, Territories and Regional Services, Senator the Hon. Ian Macdonald, represented Australia at the Commonwealth Local Government Forum in London in September 2000. At this meeting, the Forum adopted the *Statement on Local Government Priorities for the New Millennium* which sets out key principles on democratic values and good local government, partnership,

sustainable development and capacity building. The next meeting of the Commonwealth Local Government Forum was in October 2001 in Brisbane.

Australia is part of the Pacific Region of the Forum. The Forum's Pacific Regional Project Advisory Committee met in Vanuatu in March 2001 with Department of Transport and Regional Services officers participating.

International Union of Local Authorities

Departmental officers also participated in the International Union of Local Authorities General Assembly meeting in Brazil in May 2001 at which the National Awards for Innovation in Local Government were showcased. The Union aims to develop and maintain a strong democratic political organisation that is the worldwide advocate and voice of democratic local government, as well as being a source of key information and intelligence regarding democratic local government, a source of learning, exchange and capacity-building programmes for democratic local government.

The structure of the Union is based on seven regional sections based in different centres around the world; Australia is part of the Asia and Pacific Region centred on Jakarta. These regional sections run their own local government training courses, set up information and documentation services, conduct research and consultancy projects, and promote municipal international cooperation.

Sister city relationships

The Australian Sister Cities Association seeks to increase international understanding and foster world peace by furthering international communication and exchange at the person-to-person level through City-to-City affiliations. The Federal Government supports the Association in its work and in 1999–2000 funded the development of a strategic plan by the Association. The plan was presented to the

Association Conference in Adelaide in October 2000.

In March 2000, the Federal Government funded research into sister city relationships by Dr Kevin O'Connor of Deakin University. He reported on the findings from this research to the Sister City Relationships conference in Adelaide in September 2000. The paper presented to the conference discusses the public policy contexts of sister cities in both Australia and Japan, analyses the results of two surveys in Australia and Japan and examines some case studies of economic and business relations and community involvement issues (see box).

Sister city relationships between Australian and Japanese cities

The study shows there are some significant differences between the perceptions of Australian and Japanese local governments with regard to sister city relationships.

In Australia the shift to a greater emphasis on economic relationships is not shared by the Japanese counterparts. The results of the research show that the types of relationships between the two countries are still predominantly cultural and educational exchange. Nevertheless, there is a significant change occurring in the Australian perception of sister city relationships that is being expressed principally in terms of an economic return.

At present, Japanese perceptions do not include economic concerns, as local government is not considered a local developer in either social or legal terms. While new public management is beginning to appear in parts of Japan, local government is still primarily seen as a service provider.

Dr Kevin O'Toole, Deakin University

Local governance

Councils are democratic institutions operating under State legislation. To fulfil their role effectively entails constant review of electoral structures and procedures as well as remuneration levels. Effective management of community resources also requires councillors as well as council staff to be fully aware of their rights and responsibilities and to understand the procedures for developing and implementing policy. This section discusses some recent developments in electorates, remuneration and training.

Local government representation

Councils have several electoral structures, including more than one structure in a single State. They also have widely different levels of representation. Table 2.3 illustrates the great variety across the country. For instance, Victoria has just over twice as many councillors as

Tasmania despite a population nearly 10 times greater and in New South Wales, South Australia and the Northern Territory there are on average twice as many councillors per council as there are in Western Australia.

Not only are the responsibilities of councillors divergent, but their terms of office and method of election vary from State to State with election by ward in some States and direct election of mayors in some councils.

In June 2000, as part of its review of the 1993 Local Government Act, the Queensland Department responsible for Local Government released a discussion paper on the conduct of local government elections in Queensland. The paper indicated that, out of 125 local government areas (excluding Aboriginal and Torres Strait Islander communities) in Queensland, 59 were undivided for electoral purposes and their council composition ranged from five councillors (including the mayor) to 13.

Table 2.3: Local government electorate size

State	Population	Number of councils	Number of councillors ²	Average number of councillors per council	Average population per councillor	Average population per council
NSW	6,433,572	176	1,771	10	3,633	36,554
Vic	4,736,717	79	593	8	7,988	59,958
Qld	3,536,312	157	1,037	7	3,410	22,524
WA	1,871,021	142	694	5	2,696	13,176
SA	1,496,207	74	757	10	1,976	20,219
Tas	470,749	29	280	10	1,681	16,233
NT	194,297	69	762	11	255	2,816
Total	18,738,875	726	5,894	8	3,179	25,811

Notes

1 Number of councils excludes Northern Territory Road Trust.

2 Data obtained from local government Associations, may not include non-affiliated councils.

Sources: Local Government Associations (March 2001), Local Government Grants Commissions and Australian Bureau of Statistics

Of the 66 electorally divided local government areas in Queensland (that is, those with wards), 14, including the City of Brisbane, had single member divisions. The other 52 local government areas had either multi-member divisions or a mix of single and multi-member divisions. The paper suggested that for councils to have one or the other, but not both, would reduce confusion. The review indicated this would facilitate first-past-the-post voting in single member divisions and a preferential system in multi-member divisions, thus reducing some of the current confusion.

In Victoria, a review of local government remuneration, *The Report of the Victorian Councillor Allowances Review Panel, June 2000*, found that there were 577 councillors in 79 councils in the State with generally seven to nine councillors each (excluding the City of Melbourne which was then under an administrator). It also found that councils in Victoria generally had a smaller number of councillors than those of similar area or financial activity elsewhere in Australia.

The South Australian local government elections in May 2000 were the first to be conducted under the new *South Australian Local Government (Elections) Act 1999* and were therefore the subject of a review published in February 2001. This review generally dealt with the mechanisms of local government electoral roll management and postal voting procedures.

Councillor remuneration

In October 2000, the Victorian Government released its report, *Flexibility and Accountability*, on a review of the remuneration of mayors and councillors in that State. The terms of reference were to review the current provisions for remuneration taking into account:

- the adequacy of current levels of remuneration;

- the potential for refinement of the current structure by introducing a classification of councils according to different levels of complexity; and
- the adequacy of current specific allowances.

In comparison with other States, the review found that:

- Victoria generally has fewer councillors per council, regardless of council size;
- Victorian councillors were generally better paid (than councillors servicing smaller populations in other States); and
- Victorian councillors (in councils with larger populations) were generally paid in the middle of the range, whereas mayors were paid at the lower end of the range.

In Victoria, councillors' allowances were set by regulation and ranged from a minimum of \$5,000 to a maximum of \$12,000 per annum, with mayors receiving three times the councillor allowance. South Australia had similar arrangements. New South Wales and Tasmania used categories of councils with remuneration of councillors related to these categories. In Western Australia, councils have the option to pay all councillors sitting fees that are set by regulation, with a higher fee for mayors. Queensland councillors are free to determine their level of remuneration provided the determination is justified in accordance with the relevant local government Act and the public are informed and given opportunity to comment.

The Victorian review's recommendations included Councils:

- moving towards fully determining their allowance levels, and being responsible for taking into account community response to proposed remuneration;
- using an initial framework for allowances, based on three categories of councils based on population;

- implementing a clear reimbursement and support policy that should include, but not be limited to:
 - family carer allowance
 - allowance for travel time
 - vehicle travel costs.

Local government training

The Commonwealth, State and Territory Vocational Education and Training Ministers agreed in March 2000 on the National Training Framework. Under this framework, competencies within training packages are now the basis of recognised national qualifications for employees. The National Local Government Training Board – National Industry Training Ltd – services the vocational, educational and training needs of local government in connection with the State and Territory Local Government Training Board Network. The National Local Government Training Board encourages all Australian councils to help implement the local government training package.

The local government-specific qualifications are divided into three broad and overlapping qualification pathways, each representing a central focus of local government activity. The pathways are:

- governance and administration;
- planning and management of the physical environment; and
- environmental health and regulation.

Under the agreed arrangements for nationally recognised qualifications, only registered training organisations may issue qualifications. However, a local authority can seek registration through the relevant State training agency or work in partnership with an existing registered training organisation (such as a technical and further education college) to enable its employees to achieve qualifications.

The National Local Government Industry Training Board has, with the Australian Services Union, the Australian Local Government Association and Local Government Managers Australia, documented case studies that demonstrate how useful the Local Government Training Package can be. The Cities of Melbourne, Hobart, Devonport and Logan, and the Department of Urban Services in the Australian Capital Territory and the Eurobodalla Shire have all contributed to the most recent study. The study demonstrates continuous improvement strategies in the three broad qualification pathways as well as successful training of entry-level apprentices.

Local Government Associations have also taken up the challenge to provide training for officers and councillors. In partnership with State Departments they provide courses for councillors, to help them become more effective in public administration and accountability as quickly as possible.

Local government finance

The Federal Government provides considerable financial assistance to local government, through the financial assistance grants, specific purpose payments and programme funding. The States also provide funding to local government.

There is a relatively complex financial relationship between local government, the State Government and the Commonwealth Government. The complexities in this relationship arise from the nature of the institutional arrangements in Australia and because of the blurred division of the respective roles and responsibilities of the three spheres of government, despite the constitutional division of powers. Whilst respective taxing powers are relatively well differentiated, the exact role of local government, as distinct from other spheres of government, is not always clear. This can lead to some

duplication and overlap and an array of financial transfers between governments.

The financial transfers involving local government can be categorised as:

- grants from the Commonwealth Government;
- grants from the State Government;
- State Government subsidies of local government costs;
- local government exemptions from State taxes and charges and State exemptions from council general rates;
- levies and charges paid by councils to the State Government; and
- charges paid by councils for the use of State Government services.

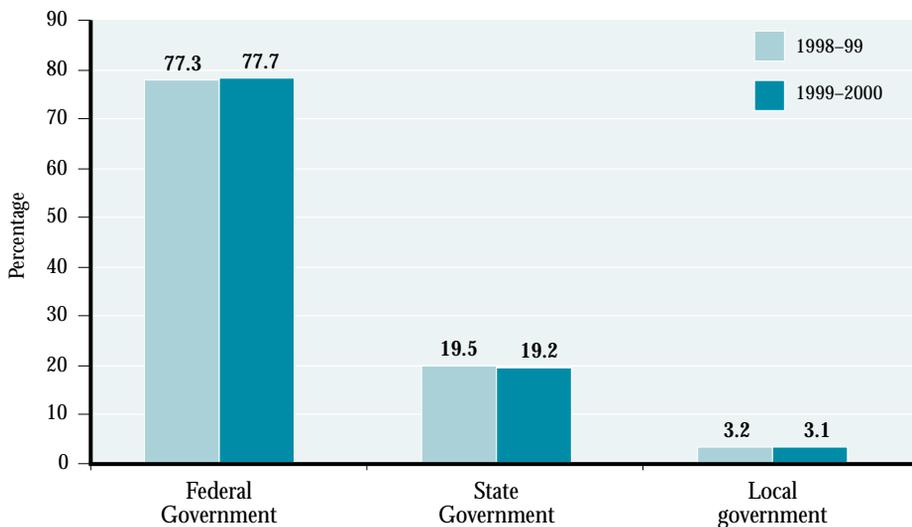
Local government financial management is also important with regard to their respective State Government financial positions. Rating agencies and the Australian Loan Council include local government in their assessments of State Government finances. State Governments must also manage the annual financial performance

of the State public sector (including local government borrowing) within the constraints set by the Australian Loan Council. These constraints seek to ensure that the demands placed on financial markets by the public sector, including local government, are at a level that will not significantly impact on the availability of capital to the private sector. The constraints also ensure that the various jurisdictions within the public sector are adopting appropriate long-term fiscal strategies.

Local government share of taxation revenue

In 1999–2000 the Federal Government raised \$152.5 billion in tax representing 77.7 per cent of public revenue (see figure 2.1). It comprised 57.7 per cent income tax and 20 per cent tax on the provision of goods and services. At the same time, the States and Territories raised \$37.7 billion representing 19.2 per cent of public revenue mostly from payroll taxes, financial transactions and the use of goods. Local government's share of taxation revenue was

Figure 2.1: Composition of taxation revenue, by sphere of government, 1998–2000



Source: Australian Bureau of Statistics Catalogue No 5506, table 2

\$5.7 billion or 3.1 per cent and this was all raised from land rates. This continued a trend of local government receiving a declining share of total taxation revenue (it received 3.2 per cent in 1998–99).

The Federal Government redistributes some of the taxation revenue it receives to the other two spheres of government. In 2000–01 it provided tied funding to local government through specific purpose payments totalling over \$111 million (see table 2.4). This assistance recognises the work of local government in providing such services as child care, aged care, care for the disabled, natural disaster relief and for local roads. Of the total specific purpose payments made, more than \$45 million was provided to ensure affordable quality childcare and more than \$21 million to

help local government provide access to residential and other care services for the aged.

In 2000–01, the Federal Government also provided funding and other assistance to local government through a range of programmes including the Local Government Online (part of Networking the Nation) the Natural Heritage Trust and the Rural Transaction Centres Programme. These initiatives recognise the importance of local government in reducing the costs imposed on local businesses and communities through achieving genuine improvements in local government operational efficiency. These issues are discussed further in chapter 4.

Table 2.4: Specific purpose payments to local government, 2000–01 (\$'000)

Direct payments current	NSW	Vic	Qld	WA	SA	Tas	NT	Total¹
Aged care services	5,804	8,958	1,418	3,015	1,321	818	255	21,589
Children's services	14,879	17,860	5,306	3,366	857	1,975	1,004	45,247
Local Government Incentive Programme ²	795	665	738	399	482	295	334	3,709
Road to Recovery programme	8,262	8,988	8,362	5,295	1,969	584	201	33,661
Total current	29,740	36,471	15,824	12,075	4,629	3,672	1,794	104,206
Direct payments capital								
Aged care services	–	262	63	–				325
Disability services	295	355	105	67	17	39	20	898
Upgrade of Rockhampton airport runway			6,000					6,000
Total capital	295	617	6,168	67	17	39	20	7,223
Total direct payments	30,035	37,088	21,992	12,142	4,646	3,711	1,814	111,429

Notes

1 Includes the Australian Capital Territory.

2 Excludes the Local Government Development Programme.

Sources: 2000–01 Final Budget Outcome, Department of Finance and Administrative Affairs, table 30 and 2000–01 Department of Transport and Regional Services Annual Report

State funding for local government

Table 2.5 provides details of grants from the States to local government by type of service in 1999–2000. This includes some \$1.24 billion paid through the State by the Commonwealth in local government financial assistance grants in 1999–2000. The remaining State grants directed to local government are for a number of purposes. While the focus of State grants varies significantly from State to State and from year to year, the major purpose remains transport and communications, with the exception of Victoria and the Northern Territory. Another major focus for 1999–2000 for most States, with the exception of Western Australia and Tasmania, was housing and community amenities.

The table suggests that the States provided some \$1.22 billion to local government out of their own funds representing an increase of 54 per cent over the previous year. However the majority

of this increase is the result of increased grants from the Victorian and Queensland governments to housing and community amenities, Queensland funding is up from \$71 million in 1998–99 to \$465 million and Victorian funding is up from \$9 million to \$312 million. At the same time, Victoria recorded a large reduction in funding designated for other purposes from \$293 million in 1998–99 to nil in 1999–2000. Ignoring the increases in State grants to housing in Queensland and Victoria and the change in other funding for Victoria, total funding by the States to local government remained very similar to the previous year.

Research by the Commonwealth Grants Commission as part of a review of the *Local Government (Financial Assistance) Act 1995* reveals some trends in State Government funding of local government that are significant. Volume 2 of the background paper, prepared as part of the

Table 2.5: Grants from States to local governments, by purpose, 1999–2000 (\$m)

Purpose	NSW	Vic	Qld	WA	SA	Tas	NT	Total
General public services	2	5	5	–	–	–	8	20
Public order and safety	63	–	2	–	–	–	–	65
Health	–	–	6	–	–	–	4	10
Social security and welfare	–	–	5	–	–	–	1	6
Housing and community amenities	118	312	465	–	5	–	–	900
Recreation and culture	23	59	34	–	10	–	2	128
Agriculture, forestry and fishing	7	–	6	–	–	–	–	13
Transport and communication	150	–	137	209	23	30	–	549
Other economic affairs	2	3	1	–	–	–	–	6
Other	305	–	246	85	69	28	30	763
Total	670	379	907	294	107	58	45	2,460
<i>Less Commonwealth financial assistance grants</i>								
General purpose grants	298	219	163	86	70	22	9	866
Local road funding	113	81	73	60	21	21	9	378
Net State grants	259	80	671	148	16	15	27	1,216

Sources: Australian Bureau of Statistics unpublished data, Department of Transport and Regional Services data

review, shows in figure 15–5 of that report that in Victoria, State Government grants to local government appear to have declined since the introduction of Commonwealth assistance to local government in 1974–75. They have declined from around 14 per cent of local government revenue in 1974–75 to around 10 per cent in 1997–98.

At the same time, revenue from municipal rates has declined, from around 55 per cent of local government revenue in 1974–75 to around 46 per cent of revenue in 1997–98. This has resulted in an increased reliance on user charges and on Commonwealth grants. Over the period, the report shows that Commonwealth grants have increased from 8 per cent of local government revenue to nearly 14 per cent of revenue (see figure 2.2).

Local government revenue

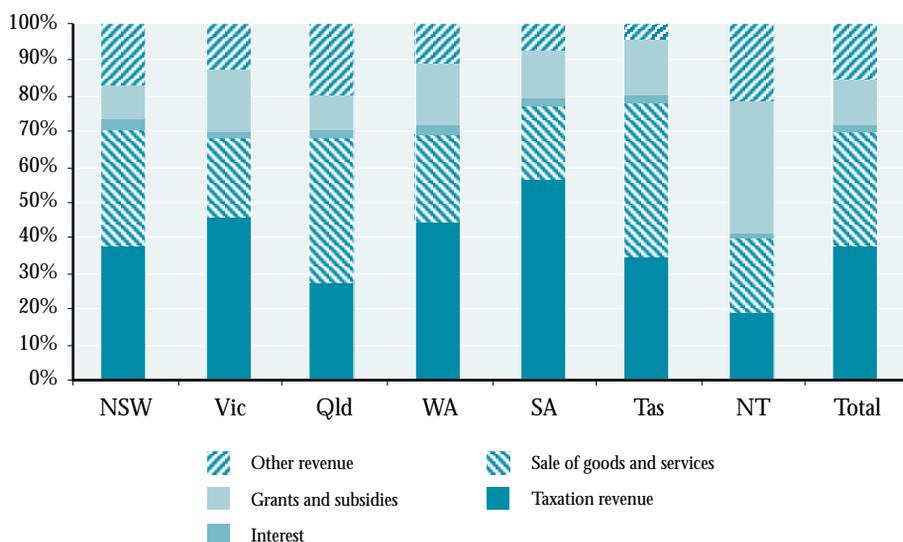
In 1999–2000, local government received an average of 38 per cent of its revenue from taxes, mostly municipal rates, and 33 per cent from the

sale of goods and services. This represents a large increase in the proportion of council revenue coming from operations compared to the previous year when it was around 12 per cent. On average, for 1999–2000, 18 per cent of council revenue was from grants, including financial assistance grants, a very similar level to the previous year.

The circumstances of individual councils do, however, vary considerably from the national average. While indications of these variations can be obtained from the State and Territory data in table 2.6 and figure 2.2, it should be noted that significant variations exist between councils within each State and in the Northern Territory.

Revenue raised by local government from taxation (predominantly rates) varied from around the average of 37 per cent of total local government revenue for most States to a maximum of 56 per cent for South Australia and a minimum of 18 per cent for the Northern Territory. Revenue from grants was close to the average of 13 per cent for all States except the

Figure 2.2: Local government revenue sources, 1999–2000



Source: Australian Bureau of Statistics Catalogue No 5512.0, table 28

Table 2.6: Local government revenue sources, 1999–2000 (\$m)

	NSW	Vic	Qld	WA	SA	Tas	NT	Total
Taxation revenue	2,080	1,427	1,162	629	510	150	43	6,001
Sale of goods and services	1,848	697	1,824	347	189	189	49	5,143
Interest	190	52	95	40	17	9	3	406
Grants and subsidies	551	561	404	254	121	71	88	2,050
Other revenue	960	386	890	155	70	18	50	2,529
Total	5,629	3,123	4,375	1,425	907	437	233	16,129

Note: Australian Bureau of Statistics advise that almost 30 per cent of other revenue comprised revenue from capital grants plus almost 20 per cent assets acquired below fair value. Half of other revenue was from fees for transport, water supply and sanitation.

Source: Australian Bureau of Statistics Government Finance Statistics, Cat no 5512.0, table 28

Table 2.7: Local government revenue sources, \$ per capita, 1999–2000

	NSW	Vic	Qld	WA	SA	Tas	NT	Total
Taxation revenue	319.87	297.45	323.03	331.51	339.89	319.05	219.04	311.35
Sale of goods and services	284.19	145.29	507.06	182.88	125.96	402.01	249.61	266.84
Interest	29.22	10.84	26.41	21.08	11.33	19.14	15.28	21.06
Grants and subsidies	84.74	116.94	112.31	133.87	80.64	151.02	448.28	106.36
Other revenue	147.63	80.46	247.41	81.69	46.65	38.29	254.70	131.21
Total	865.65	650.98	1,216.22	751.04	604.47	929.51	1,186.91	836.83

Source: Australian Bureau of Statistics, Government Finance Statistics, Cat no 5512.0, table 28

Northern Territory where councils received an average of 38 per cent of their revenue from grants (see table 2.7).

On a per capita basis, taxation (rates) revenue remained relatively close to the national average of \$311 per person in all States. The Northern Territory had the lowest taxation revenue per capita of \$219, whilst South Australia had the highest per capita taxation revenue for local government with \$340 per person. Victoria had the second lowest taxation revenue per capita of \$297. This is probably a result of mandated cuts in rates imposed by the State government in the mid 1990s.

Local government received a significant proportion of revenue from the sale of goods and services. It represents on average close to a third of council revenue, with Tasmania and Queensland receiving more than 40 per cent of their revenue in 1999–2000 from these sources. This may be because, in those States, local government has responsibility for provision of water and sewerage services.

On average, interest did not represent a significant proportion of council revenue, whilst revenue from other sources contributed 16 per cent of local government income. The proportion of revenue from other sources ranged from 4 per

cent in Tasmania to 21 per cent in the Northern Territory. Other revenue is derived from capital grants, current revenue, capital revenue and fines.

Local government expenditure

Australia-wide the main categories of local government expenditure continue to be transport and communication (about 30 per cent) and housing and community amenities (23 per cent).

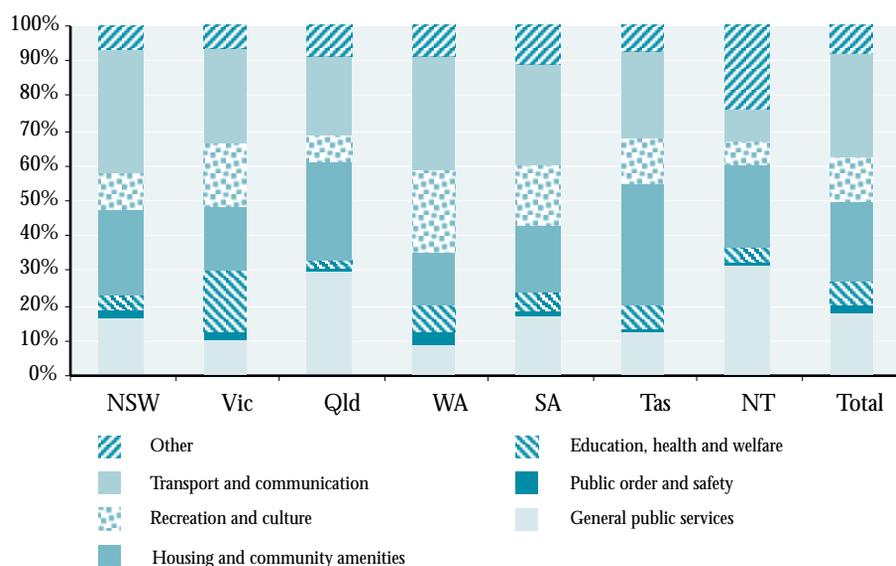
See table 2.8 and figure 2.3. Local government, in all jurisdictions except the Northern Territory, expended between about 23 per cent and 36 per cent on transport and communications with New South Wales councils recording the highest proportion of their outlays on this purpose. The Northern Territory recorded only 9 per cent of its expenditure on transport and communication but, at the same time, nearly a quarter of its

Table 2.8: General government expenditure, by purpose, 1999–2000 (\$m)

	NSW	Vic	Qld	WA	SA	Tas	NT	Total
General Public services	805	322	1,067	117	154	54	69	2,588
Public order and safety	121	57	35	51	14	2	1	281
Education, health and welfare	237	553	66	101	52	31	11	1,051
Housing and community amenities	1,217	579	1,001	212	175	155	51	3,390
Recreation and culture	540	569	274	325	160	55	15	1,938
Transport and Communication	1,837	876	826	449	260	110	20	4,378
Other	344	218	326	128	108	34	54	1,212
Total	5,101	3,174	3,595	1,383	923	441	221	14,838

Source: Australian Bureau of Statistics Government Finance Statistics, Cat no 5512.0, table 32

Figure 2.3: Local government expenditure, by purpose, 1999–2000



Source: Australian Bureau of Statistics Government Finance Statistics Cat. No. 5512.0, table 32

Table 2.9: Local government assets and liabilities, 1999–2000 (\$m)

Assets	NSW	Vic	Qld	WA	SA	Tas	NT	Total
Financial assets								
Cash and deposits	324	420	971	165	11	67	34	1,992
Advances paid		4				4		8
Investments, loans and placements	2,940	603	402	460	55	73	7	4,540
Other non-equity assets	510	422	314	127	84	48	4	1,509
Equity			1		11			12
<i>Total</i>	<i>3,774</i>	<i>1,449</i>	<i>1,688</i>	<i>752</i>	<i>161</i>	<i>192</i>	<i>45</i>	<i>8,061</i>
Non-financial assets								
Land and fixed assets	63,557	27,354	29,934	10,136	7,487	3,817	167	142,452
Other non-financial assets	896			12		8	5	921
<i>Total</i>	<i>64,453</i>	<i>27,354</i>	<i>29,934</i>	<i>10,148</i>	<i>7,487</i>	<i>3,825</i>	<i>172.1</i>	<i>43,373</i>
Total	68,227	28,803	31,622	10,900	7,648	4,017	217	151,434
Liabilities								
Deposits held		48			150	2		200
Advances received	27	6			9	1		43
Borrowing	1,464	647	3,025	209	120	224	2	5,691
Unfunded superannuation liability	679	258	336	73	69	35	3	1,453
Other provisions	65		2	6	11	5		89
Other non-equity liabilities	552	329	307	173	69	37	12	1,479
<i>Total</i>	<i>2,787</i>	<i>1,288</i>	<i>3,670</i>	<i>461</i>	<i>428</i>	<i>304</i>	<i>17</i>	<i>8,955</i>
Shares and other contributed capital			39					39
GFS net worth	65,440	27,515	27,913	10,439	7,220	3,713	200	142,440
Net debt	(1,773)	(326)	1,652	(416)	213	83	(39)	(606)
Net financial worth	987	161	(2,021)	291	(267)	(112)	28	(933)

GFS = Government Finance Statistic

Source: ABS unpublished data

expenditure was recorded as being spent on 'other economic affairs' which may have included transport and communication related activities.

Housing and community amenities was the next largest expenditure item for councils, with Tasmania recording the highest proportion of expenditure at 35.1 per cent and Western Australia the lowest proportion at 15.3 per cent.

In 1999–2000 local government in Australia had a net worth of close to \$142.5 billion with net

assets of \$151 billion and liabilities of \$8.9 billion (see tables 2.9 and 2.10). On average, councils continued to be in a sound financial situation in 1999–2000, indeed this year for the first time since records commenced, in 1993, total cash, deposits and lending exceeded gross debt.

Table 2.10: Financial assets and liabilities for local government, 30 June 1993 to 30 June 2000 (\$m)

Year	1993	1994	1995	1996	1997	1998	1999	2000
Gross debt	7,401	6,757	6,435	6,080	6,182	6,307	6,168	7,452
Total cash, deposits and lending	4,377	4,922	4,854	5,814	5,524	5,451	5,940	8,982
Net debt (worth)	3,024	1,835	1,581	266	655	856	228	(1,530)

Source: ABS Cat. no. 5506

CHAPTER 3

FINANCIAL ASSISTANCE GRANTS
TO LOCAL GOVERNMENT

In 2000–01, the Federal Government provided \$1.33 billion nationally – equivalent to about \$70 per capita – in financial assistance to local government. These financial assistance grants were paid through the States and had two components – general purpose grants and identified local road grants. In 2000–01, the general purpose grants were \$920 million and identified local roads grants were \$408 million.

The objective of general purpose assistance from the Federal Government to local government is to strengthen local government to enable it to provide a wider range of services and to promote equity between councils and certainty of funding. These grants are untied in the hands of the receiving council. This means that councils are able to spend the grant according to the priorities of their communities.

The general purpose grants commenced in 1974–75 with allocations in the 1974 and 1975 Budgets distributed according to Commonwealth Grants Commission recommendations. This was followed, over the next two decades, by gradual development in legislative arrangements for providing financial assistance to local government. These grants are currently provided under the *Local Government (Financial*

Assistance) Act 1995, which replaced the *Local Government (Financial Assistance) Act 1986* and came into effect from July 1995.

From July 1991, as a result of a decision at the 1990 Special Premiers' Conference, local roads grants to local government were provided under the 1986 Act (as amended). These grants are intended to help councils with the cost of maintaining their local roads but, as they are also untied, councils are not required to spend them on local roads.

In 2000–01, the Commonwealth Grants Commission undertook a review of the operation of the 1995 Act (see box).

Overview of current arrangements

In determining the distribution of grants to councils, the current arrangements are:

- At the beginning of each financial year, the Federal Government determines the quantum of general purpose and local roads grants estimated to be available for local government nationally. This is equal to the quantum of the grants received nationally in the previous

Review of the operation of the 1995 Act

Section 17 of the *Local Government (Financial Assistance) Act 1995* requires the Federal Local Government Minister to undertake a review of the operation of the Act by 30 June 2001. In June 2000, the Minister asked the Commonwealth Grants Commission to undertake the review and its final report was handed to the Government in June 2001.

The terms of reference for the review required the Commonwealth Grants Commission to examine and report on:

- the effectiveness of the current arrangements for achieving the purposes and goals of the Act;
- the appropriateness of the current National Principles (see Appendix A) – in particular, whether the minimum grant arrangement should be retained or varied;
- the effectiveness of the current arrangements in ensuring that assistance is allocated on a full horizontal equalisation basis;
- the consistency of local government grants commissions' policies and methods with the National Principles;
- the impact of the Act on revenue raising by councils and on the provision of assistance to them by States;
- the implications of any changes in the functions or responsibilities of councils; and
- eligibility for assistance under the Act of bodies declared by the Minister.

The full terms of reference for the review and the Commonwealth Grants Commission's main findings are in Appendix C.

financial year adjusted by an estimated escalation factor.

- The estimated quantum of general purpose and local roads grants for each State is then calculated according to requirements of the Federal legislation and these amounts are advised to States.
- Local government grants commissions in each State determine the allocation of general purpose and local roads grants among local governing bodies in their State.
- The local government grants commission recommendations are then sent, by the State Minister, to the Federal Minister for approval.
- Once these grants have been approved by the Federal Minister, quarterly payments are made by the Federal Government to the States and, without undue delay, these are passed on by the States to local governing bodies as untied grants.
- Toward the end of the financial year, the escalation factor is revised and the final quantum of the grants for the financial year is recalculated.
- An adjustment to the allocations to local governing bodies is made and their payments in the following year adjusted.

More details on each step in the procedure are given under 'Calculation of grants' below.

Some observations about the Australian system of grant allocations to local government from a recent international comparative study of 19 OECD countries are given in the box below.

Determining the quantum of the grant

Section 8 of the Act specifies the formula to be applied by the Federal Treasurer each year to determine the increase in the level of local government financial assistance grants. Up to and including 1999–2000, the annual increase in

An international comparative study of local government grant distribution systems

As part of a review of the system used in England for distributing grants from the central government to local government, PricewaterhouseCoopers undertook a study in 1999 of the systems used in 19 OECD countries.

In relation to the grants distribution system used in Australia, the report says that key areas of interest are:

- the role of the independent local government grants commissions;
- the use of legislation and the National Principles to articulate the objectives of the grant distribution system;
- the role of councils in the consultation process; and
- the use of specific purpose payments from the Commonwealth to State governments and to councils to promote national priorities.

As a result of the initial research, the grants distribution systems in eight of the 19 countries were the subject of more detailed review. Australia was one of these eight countries.

Further information on the review of the grant distribution system for England is available at www.lga.gov.uk.

Source: PricewaterhouseCoopers (2000) *Local Government Grant Distribution: An International Comparative Study*

local government grants was based on the increase in financial assistance grants and special revenue assistance to the States.

Since 1994–95 these State grants, and hence grants to local government, have increased annually in line with population and consumer price index movements (except for 1997–98, when local government grants were increased for inflation, but not population growth).

Following the introduction of the new tax system in July 2000, increases in financial assistance grants to the States are no longer related to the consumer price index and population. This link was abolished from 1 July 2000 under the terms of the *Intergovernmental Agreement on the Reform of Commonwealth–State Financial Relations*. The States now receive the goods and services tax (GST) revenue.

In June 2000, the Act was amended to remove the nexus between movements in the local government financial assistance grants and States' financial assistance grants. The escalation factor for local government financial assistance is now on a real per capita basis similar to that previously operating for the State grants.

As with the existing provisions, the amendments provide the Treasurer with discretion to increase or decrease the escalation factor in special circumstances. In applying his discretion, the Treasurer is required to have regard to the objects of the Act (see box below) and any other matters he thinks relevant. The same escalation factor is applied to both the general purpose and local roads components of the grant.

Objects of the Act

Section 3 of the Act explains the objects of the Parliament in enacting the *Local Government (Financial Assistance) Act 1995*:

‘(2) The Parliament wishes to provide financial assistance to the States for the purposes of improving:

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

In the review, the Commonwealth Grants Commission found that the current arrangements have broadly achieved the Commonwealth’s purposes. It found that some of the existing purposes are not clear and that their description needs to be improved so they are better understood and more effectively achieved.

The Commission recommended that the operation of the Act would be improved if the Commonwealth’s intentions in providing its assistance were clearer and more transparent, with a clearer relationship between the purposes and the funds provided. It said that this could be achieved if there were:

- a per capita pool to provide every local governing body with a share of the assistance;
- a local roads pool to contribute towards local governing bodies’ costs of maintaining their local roads; and
- a relative need pool to improve equity by providing additional assistance to the more disadvantaged local governing bodies.

Every local governing body would receive a fixed per capita share from the per capita pool. Every local governing body that has a road responsibility would receive funding from the local roads pool. Only relatively disadvantaged local governing bodies would receive funding from the relative need pool. As part of the changes, a purpose should be drafted for the Act to outline the Commonwealth’s intentions in providing the assistance from each pool.

Calculation of grants

Each year, the quantum of the grant to local government is determined at the start of the financial year, using a formula based on estimates of the consumer price index and population increases for the year. Councils are usually advised in August of the grant to be paid that financial year.

At the end of each year the estimated grant for local government is adjusted to an ‘actual’ entitlement, calculated using the actual consumer price index and population figures.

Inevitably there is a difference between the estimated and actual grant entitlements. This difference is added to or subtracted from the grant paid to the State in the following year.

Therefore for each year there is an estimated grant entitlement, an actual grant entitlement and an actual grant paid.

In the review of the Act, the Commonwealth Grants Commission found these arrangements confusing for councils and said that they created difficulties for councils in their planning and budgeting. The Commission suggested that the final grant distribution to the States for the coming financial year should be based on the estimates of consumer price index and population available at the time of the Commonwealth budget. It proposed that there be no adjustment in the following year for changes in these estimates. The Commission suggested that the Commonwealth, in consultation with the States and local government, develop improved arrangements along these lines.

Interstate distribution

Table 3.1 shows the allocation of funds amongst the States for 2000–01. The Act specifies that the national allocation of the general purpose component of the grant is to be divided amongst the States on a per capita basis. This uses the Australian Bureau of Statistics' estimate of each State's population and the estimated population of all States as at 31 December of the previous year.

In contrast, the State shares of the local roads component of the grant are fixed. The distribution is determined on the basis of shares inherited from the former, tied grant arrangements. Therefore, each State's share of the local roads component is obtained by multiplying the previous year's funding by the escalation factor determined by the Treasurer.

Table 3.2 provides the per capita relativities of the State allocations for the general purpose, local

Table 3.1: General purpose and local roads grants, allocation amongst States, 2000–01

State	General Purpose Grant			Local Roads Grant			Total Grant		
	\$m	% of total	\$ per capita	\$m	% of total	\$ per capita	\$m	% of total	\$ per capita
NSW	310.7	33.78	48.29	118.4	29.01	18.41	429.1	32.31	66.70
Vic	228.7	24.86	48.29	84.1	20.61	17.77	312.8	23.56	66.05
Qld	170.8	18.57	48.29	76.5	18.75	21.63	247.3	18.62	69.91
WA	90.3	9.82	48.29	62.4	15.29	33.36	152.7	11.50	81.64
SA	72.2	7.85	48.29	22.4	5.49	14.99	94.6	7.12	63.28
Tas	22.7	2.47	48.29	21.6	5.29	45.95	44.3	3.34	94.24
NT	9.4	1.02	48.29	9.6	2.35	49.21	19.0	1.43	97.50
ACT	15.0	1.63	48.29	13.1	3.21	42.22	28.1	2.12	90.51
Total¹	919.8	100.00	48.29	408.1	100.00	21.43	1,327.9	100.00	69.72

¹ all variations due to rounding adjustments.

Source: Department of Transport and Regional Services

roads and total grants in 2000–01. The State per capita relativities for GST revenue are provided for comparison. The per capita relativity for a State is the ratio of the per capita grant for the State to the average per capita grant across all States. Per capita relativities have a value of around 1.0. If the per capita relativity for a State is less than 1.0, the State receives less than its per capita share of the grants. If the per capita relativity is greater than 1.0, the State receives more than its per capita share.

Table 3.2 shows that New South Wales, Victoria and South Australia receive less than their per capita share for financial assistance grants while the remaining States receive greater than their per capita share. Victoria has the lowest per capita relativity and the Northern Territory the highest for the financial assistance grants.

The GST revenue relativities have a far greater variability than the financial assistance grant relativities. The GST revenue relativities for

all States, except Western Australia and South Australia, have the same direction of movement away from 1.0 as the financial assistance grant relativities.

Principles for determining distribution of grants within States

The 1995 Act requires National Principles to be formulated in consultation with State Ministers and a body or bodies representative of local government. The National Principles came into effect from 1996–97 and apply to both grant components (see Appendix A). The National Principles applying to the **general purpose component** provide additional criteria to the objectives of full horizontal equalisation and the minimum grant (see box) which are established in the Act.

Table 3.2: Per capita relativities for general purpose, local roads, total grants and GST revenue, by State, 2000–01

State	Population as at 31 Dec 1999	General purpose per capita relativities	Local roads per capita relativities	Total grant per capita relativities	State GST revenue per capita relativities
NSW	6,433,572	1.0000	0.8600	0.9570	0.9091
Vic	4,736,717	1.0000	0.8283	0.9472	0.8705
Qld	3,536,312	1.0000	1.0039	1.0012	1.0218
WA	1,871,021	1.0000	1.5532	1.1700	0.9837
SA	1,496,207	1.0000	0.7059	0.9096	1.1826
Tas	470,749	1.0000	2.1725	1.3604	1.5109
NT	194,297	1.0000	2.2999	1.3995	4.1639
ACT	309,981	1.0000	1.9784	1.3007	1.1129
Total	19,048,856				

Sources: Department of Transport and Regional Services and table 3 in *Federal Financial Relations 2001–02*, Commonwealth Budget Paper No. 3

What is horizontal equalisation?

Horizontal equalisation would be achieved if every council in a State, by means of reasonable revenue-raising effort, were able to afford to provide a similar range and quality of services. The Commonwealth pursues a policy of horizontal equalisation when it distributes general purpose funding for State governments.

More formally, section 6(3) of the Act defines horizontal equalisation as being an allocation of funds that:

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

Horizontal equalisation distribution of grants is determined by estimating the cost each council would incur in providing a normal range and standard of services, and by also estimating the revenue each council could obtain through the normal range and standard of rates and charges. The grant is then allocated to compensate for these variations in expenditure and revenue and (ideally) bring all councils up to the same level of financial capacity.

This means councils that would incur higher costs in providing normal services, for example, in remote areas (where transport costs are higher), or areas with a higher proportion of elderly or pre-school aged people (where there will be more demand for specific services) will receive additional grant monies. Similarly, councils with a strong rate base (highly valued residential properties, high proportion of

industrial and/or commercial property) will tend to receive less grant monies.

In the review of the Act, the Commonwealth Grants Commission said that the term 'horizontal equalisation' should be replaced with 'relative need based on equalisation principles' because this more clearly reflects the Commonwealth's intentions and what is being, and can be, achieved. It went on to say that the Commonwealth should also avoid using the language of horizontal equalisation in a different way from its use in the allocation of Commonwealth general revenue assistance to the States.

What is the minimum grant?

Section 6(2)(b) of the Act requires the Minister to ensure that:

'No local governing body in a State will be allocated an amount under section 9 (the general purpose component of the grant) in a year that is less than the amount that would be allocated to the body if 30 per cent of the amount to which the State is entitled under that section in respect of the year were allocated among local governing bodies in the State on a per capita basis.'

In the review of the Act, the Commonwealth Grants Commission was specifically asked to look at the minimum grant arrangements. It recommended that the provision of a minimum level of financial assistance to all local governing bodies should be retained. They proposed splitting the general purpose pool into a per capita pool and a relative needs pool. The per capita pool would provide a grant to all local governing bodies based on their population. This per capita grant would be funded by what is now 30 per cent of the general purpose pool.

For the general purpose grant, the most important Principle is that the grants are distributed so as to contribute to achieving **horizontal equalisation**. Horizontal equalisation is achieved if each council in a State is able to provide the average range, level and quality of services by reasonable effort, taking account of differences in their capacities to raise revenue and in their expenditure needed to provide average services.

The distribution of grants between States on a per capita basis, rather than horizontal equalisation, evolved as a result of difficulties in determining the latter. This difficulty stems mainly from variations in local government functions between States: in different States councils provide different services, operate under different legislation and use different accounting practices.

Horizontal equalisation within States aims to bring all councils in that State up to the same fiscal level. The effect of distributing grants between States on a per capita basis means councils in different States may be brought up to different fiscal levels.

The **Effort Neutrality** Principle requires that a council's grant be independent of its policies. This means the grant to a particular council is not influenced by that council's actual rates charged, its actual expenditure on particular functions or the extent of its reserves or debt. This process allows a council to decide its own spending priorities and revenue-raising policies without affecting its grant entitlement.

The **Minimum Grant** Principle ensures that each council receives at least a minimum level of general purpose assistance as required by the Act. This minimum is set at 30 per cent of a council's per capita share of general purpose grants.

The **Other Grant Support** Principle requires other grants provided to a council by another sphere of Government for the provision of services to be regarded like any other source

of revenue and taken into account when assessing the overall financial capacity of each council. In the assessment of each council's financial capacity, local roads grants provided under this Act should be included as well as any other grants that relate to the provision of local government services that are within the scope of services covered by the grant allocation process.

The **Aboriginal Peoples and Torres Strait Islanders** Principle seeks to address the specific needs of Aboriginal and Torres Strait Islander peoples in the provision of council services. The Principle requires that the level of grants received by councils should reflect the Aboriginal and Torres Strait Islander population within council boundaries. This means that calculation of the grant for councils should reflect differences in the demand for services by Indigenous people, the cost of providing services to them and the capacity to raise revenue from them.

There is one National Principle applying to the **Identified Road Component**. It requires distribution of this component on the basis of road expenditure needs, including consideration of factors such as length, type and use of roads.

Section 26 of the Act allows the Federal Minister to approve transitional modifications of the National Principles for individual States for specified years. Queensland, Victoria and Tasmania requested, and were granted, such modifications which allowed phased introduction of changes resulting from implementing the National Principles. For 2000–01, only Queensland sought and obtained an extension of these transitional arrangements. Queensland has been granted transitional modifications each year since the 1996–97 grant year.

Determining the distribution of grants within States

Local government grants commissions, established within each State (except the

Australian Capital Territory), determine individual council allocations in accordance with the National Principles. In the Australian Capital Territory, local government is integrated with the Territory government and there is no role for a Commission.

Local government grants commissions are State authorities required by the Federal Government as a condition of the State receiving local government financial assistance grants (see box). The State provides the resources for the Grants Commission. For information on contacts for State local government grants commissions, see Appendix L.

After the local government grants commission has determined the grant distribution, the State Minister recommends the allocation to the Commonwealth Minister for approval. One of the conditions for approval is that the Commonwealth Minister is satisfied the State has adopted the recommendations of its grants commission.

The Commonwealth pays grants to each State government as a tied grant to be passed on to councils in accordance with the approved distribution. Although a tied grant to the States, the grants are untied in the hands of local government, to give councils discretion regarding local priorities.

Section 15 of the Act requires, as a condition on the payment to local government from the States, that they are paid by the State without undue delay and without conditions. Further, each State Treasurer must give the Federal Minister, as soon as practicable after 30 June each year, a statement detailing payments made to councils during the previous financial year as well as the date the payments were made. The State Auditor-General must certify the statement.

The grants are paid to the States in equal instalments in the middle of each quarter. The first payment for a financial year is paid as soon as statutory conditions are met. One of the requirements of the Act is that the first payment can not be made before 15 August.

Local government grants commissions

Section 6 of the Act specifies the criteria a body must satisfy to be eligible to be recognised as a local government grants commission for a State. These criteria are:

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

Sections 11 and 14 of the Act require local government grants commissions to:

- hold public meetings in connection with the recommendations;
- permit local governing bodies to make submissions to the commission in relation to the recommendations; and
- make their recommendations in accordance with the National Principles and any agreed State-specific principles.

Bodies eligible to receive financial assistance grants

Only local governing bodies are entitled to receive financial assistance grants. All councils constituted under State local government Acts are automatically local governing bodies. In addition, Section 4(2) of the Act provides for 'a body declared by the Minister, on the advice of the relevant State Minister, by notice published in the Gazette, to be a local governing body for the purposes of this Act'.

In total, 727 councils received grants in 2000–01. Included in this figure were 40 declared local governing bodies, made eligible under this provision. Table 3.3 shows the distribution of declared bodies by State.

Review findings on eligibility

The Commonwealth Grants Commission was asked to examine the eligibility for assistance under the Act of bodies declared by the Minister to be local governing bodies. The Commission found that the current arrangements work well and should be retained. However, it recommended that the Act be amended to allow:

- either the Commonwealth or State Minister to initiate a declaration – but require both to agree to it; and
- the Ministers to revoke an existing declaration, provided both agree.

Local government grants commissions methods

The State grants commissions are required to determine the distribution of 2000–01 grants in accordance with the National Principles and to take into account local circumstances. The National Principles are set out in full in Appendix A.

To determine the allocation of general purpose grants within a State, the respective grants commission assesses the amount each council would need to be able to provide a standard range and quality of services, while raising revenue from a standard range of rates and other income sources. The Commission then develops recommendations for grant distribution by allocating the available grant to councils taking account of their assessed grant need, and the minimum grant requirement. Distribution of the local roads component is determined based on assessments of councils' road expenditure need.

Table 3.3: Distribution of local governing bodies by type by State at June 2001

Type	NSW	Vic	Qld	WA	SA	Tas	NT ²	Total
Councils established by legislation ¹	174	78	157	142	68	29	39	687
Declared	2	1	0	0	6	0	31	40
Total	176	79	157	142	74	29	70	727

Notes:

- 1 These are local governing bodies eligible under section 4(2) of the Act as they are constituted under State local government Acts.
- 2 Includes Northern Territory Road Trust Fund.

Source: Department of Transport and Regional Services

These are difficult tasks, requiring considerable experience and judgement. Grants commissions need to accurately and quantitatively assess the unique circumstances of a large number of councils in their jurisdictions in terms of providing a variety of services and raising a number of revenues.

Local government grants commissions meet annually at a national conference to share insights and discuss common issues. The 2000 conference was held in Sydney in November. The conference included a presentation by the Commonwealth Grants Commission on its approach to horizontal equalisation, the processes it is undertaking for reviewing the Act and some preliminary results from analyses it had undertaken for the review. There was an analysis of the submissions from grants commissions to the review and discussions on the use of the Socio Economic Index For Australia in grants commission methods.

In 2000–01, a number of meetings were arranged for local government grants commissions with staff from the Commonwealth Grants Commission. The Commonwealth Grants Commission explained technical aspects of its allocation methodology that could be considered for adoption by local government grants commissions.

In the review, the Commonwealth Grants Commission commented on ways to improve the accountability and transparency of the allocation of funds to councils by local government grants commissions. In the context of the grant distribution process, the Commission thought that transparency is about councils being able to understand how their grants have been calculated and accountability is about local government grants commissions providing sufficient information to allow a council, if it chooses, to understand its allocation and the reasons for any changes. The minimum information for such a process is set out in the box below.

Improving accountability and transparency

The Commonwealth Grants Commission indicated that a council should be able to:

- verify its grant allocation;
- understand why its allocation has changed from its previous level;
- understand why it differs from the grant allocation of a neighbouring or similar council; and
- understand the key drivers of its grant allocation.

In relation to their annual reports, the Commonwealth Grants Commission said that, as a minimum, the reports should provide information on:

- the grant outcomes of all councils in the State;
- the expenditure and revenue assessments of all councils in the State; and
- the key drivers of local government grants commission's expenditure and revenue assessments.

Below is a brief description of the local government grants commissions' methods used in 2000–01 comparing their approach to rating capacity, road grants, expenditure and the needs of Indigenous communities. A detailed description of the methods used by each grants commission is contained in Appendix B. In addition to the summaries in the appendix, the commissions publish information about their methods in annual reports and occasional publications.

Rating capacity

New South Wales distinguishes urban and rural land and applies State-wide average rates in the dollar to unimproved capital values, averaged over three years, to estimate the rating capacity of each council. It then discounts the differences by about 64 per cent in recognition of the impact of the Sydney property values and to achieve some parity with expenditure assessments.

Victoria applies a State-wide average rate in the dollar to the net annual values, generally averaged over three years.

Queensland uses a combination of indicators of rating capacity. These are derived by statistical estimation as accounting for most of the variation observed in actual rates collected. The method estimates revenue-raising capacity as the sum of a number of proportional components for each council (the figures shown are approximate):

- \$24.90 per rateable property; plus
- \$0.013 per dollar of gross value of rural production; plus
- \$0.015 per dollar of personal income; plus
- \$0.005 per dollar of an indicator of retail sales; plus
- \$0.002 per dollar of unimproved capital value.

Rates assessment for Indigenous councils is set to zero.

Western Australia distinguishes urban properties, agricultural properties, pastoral properties and mining property and assesses capacity by different methods for each.

The capacity of urban properties is estimated as the sum of two components: the first is the product of gross rental values, averaged over three years, and a constant more or less like an average rate in the dollar; the second is the number of rateable assessments and a corresponding constant value per assessment.

Agricultural rate capacity is based on improved capital values averaged over three years, a per assessment component and one for agricultural area in hectares. Pastoral rate capacity is based on improved capital values averaged over three years. Mining rate capacity is estimated for three different categories of council with reference to mining unimproved capital value and a per assessment component.

South Australia estimates a State-wide average rate in the dollar per property and applies it to the difference between each council's improved capital values per capita and the State's improved capital value per capita for five land use categories:

- residential;
- commercial;
- industrial;
- rural; and
- other.

All data are averaged over three years to reduce fluctuation.

Tasmania applies a State-wide average rate in the dollar to rateable assessed annual valuations averaged over three years. Its rate includes provision for water and sewerage. It makes a corresponding assessment of gross expenditure on water and sewerage.

Much of the **Northern Territory** is unincorporated, with local government largely confined to the areas settled by Aboriginal communities, or a relatively few more densely settled municipalities. Land trusts own the land in the majority of Aboriginal communities and no possibility exists of distinct properties and values for the assessment of revenue-raising capacity. For this reason, statistics of personal income are used to estimate the revenue-raising capacity of all councils. In addition, councils which receive an 'operational subsidy' from the Territory Government have half of this taken into account.

Roads grants

New South Wales distributes a little more than one-quarter of the local roads component to councils in Sydney, Newcastle and Wollongong, and a little less than three-quarters to other councils. Of the former, 57 per cent is distributed in proportion to road length, 38 per cent to population and 5 per cent to bridge length. Of the latter, about 74 per cent is distributed in proportion to road length, 19 per cent to population and 7 per cent to bridge length.

For the general purpose component, New South Wales distinguishes urban local roads, sealed rural local roads and unsealed rural local roads. Disability factors for topography, climate, soils, materials, drainage, heavy traffic, travel, and development increase expenditure allowances for each council. It also assesses needs with reference to the length of each type of road per urban or rural property, as applicable, and with provision for bridge and culvert needs per kilometre of roads. Following the practices of councils, the average spending on maintaining urban roads per kilometre is more than double rural sealed roads which, in turn, is more than double rural unsealed roads.

Victoria distributes the local roads component using a formula that takes account of population and road lengths of councils. The assessments include loading factors which allow for variations among councils in topography and rainfall.

This was the last year that Victoria used this approach. A new methodology was implemented for 2001–02 based on road lengths and traffic volumes. It uses annual average preservation costs for given traffic volumes with the costs subject to a number of modifiers such as freight loading, climate, sub-grade material and strategic routes.

Queensland distributes about 63 per cent of its local roads component in proportion to the length of local roads and 37 per cent in proportion to population.

For the general purpose component, Queensland distinguishes urban and rural local roads by surface type (sealed, gravelled, formed, unformed) and width. It assesses a road disability factor with reference to traffic volumes, road type and topography. The assessments result in 'disability factors' reflecting different road needs applied to a standard expenditure of about \$3,196 per kilometre of road. In allocating the general purpose component, not all the local roads component provided to councils is taken into account in determining council's net cost of road maintenance and construction. The local road component is discounted to 70 per cent. The Queensland Grants Commission does this, since, on average, about 30 per cent of council revenue is used on water and sewerage functions.

Western Australia distributes 93 per cent of its local roads component according to its (road) asset preservation model, described below. It distributes about 5 per cent for major bridge works following the advice of Main Roads Western Australian. Following advice from the Aboriginal Roads Committee and in consultation with communities it distributes about 2 per cent for roads serving Aboriginal communities.

The asset preservation model takes into account annual and recurrent maintenance costs and the costs of reconstruction at the end of the road's useful life. Roads are divided into two categories, urban and rural, because the former requires greater spending due to more traffic, more intersections and more kerbing and longitudinal drainage. The model takes the road surface into account (sealed, gravel, formed and unformed) and the contribution of bridges to cost.

Western Australia uses the same model for roads in distributing the general purpose component. However, other transport-related expenditure needs, such as street lighting and aerodromes, are also taken into account. Western Australia is phasing in application of the model to moderate changes to grants. This year, 70 per cent of the

standard is due to the model and 30 per cent to the standards applying in 1995–96.

South Australia divides the local roads component into formula grants (85 per cent) and special local road needs (15 per cent). Formula grants are divided between metropolitan and non-metropolitan councils in proportion to road length and population, equally weighted. For metropolitan councils, the same formula divides grants. For non-metropolitan councils, shares are estimated with reference to equally weighted road length, population, area and road needs. Special local road needs are distributed among a minority of councils on recommendations of a Local Roads Advisory Committee, which assesses submissions from regional associations about roads of regional significance.

For the general purpose component, South Australia divides roads into five categories:

- sealed roads – urban;
- sealed roads – non urban;
- unsealed roads – urban;
- unsealed roads – non urban; and
- unformed roads.

Road lengths are the units of measure. Cost relativity indices have been developed for each road category, to determine why it costs one council more than another to reconstruct or maintain a kilometre of road. Factors such as soil, terrain, drainage and materials haulage are components of the index. Further work is to be undertaken on the cost relativity indices.

Tasmania distributes the local roads component so that:

- 66.5 per cent is distributed according to relative road expenditure needs estimated by a Mulholland asset preservation model;
- 28.5 per cent is distributed in proportion to bridge deck areas (including concrete and wooden bridges, but excluding culverts); and

- 5 per cent is distributed among councils with above average unsealed roads in proportion to relative unsealed road length.

Tasmania distributes the general purpose component according to the same Mulholland asset preservation model used to allocate part of the local roads components. Performance standards define for each type of road the annual length needing reconstruction, re-grading or resealing. Average costs per kilometre derived from cost data supplied by city and rural councils are used to introduce values into the estimates. Disability factors like climate, drainage, materials, soil, terrain and traffic may increase or decrease the average costs for each council. Roads expenditure assesses urban sealed, urban unsealed, rural sealed and rural unsealed roads as separate expenditure categories. In effect, the local roads component received is netted from road needs for the general purpose component.

In the **Northern Territory**, local government boundaries are not contiguous. Roads not allocated to a local government are maintained through a roads trust. Funds are allocated to the Local Government Association of the Northern Territory which, in consultation with the communities, manages the roads. The local roads component is distributed in accordance with weighted road lengths:

- | | |
|-------------------------------|------|
| • sealed, kerbed and guttered | 10.0 |
| • sealed | 8.0 |
| • gravel | 4.0 |
| • cycle path | 2.0 |
| • formed | 1.0 |
| • flat bladed track | 0.4 |

For the general purpose component, the Northern Territory assesses road needs by weighted road lengths by surface type using the same weights as for the local roads component.

Expenditures

In addition to expenditure on roads, already outlined, local governments' main expenditures are on general public services, which includes the organisation and general and financial administration of councils; recreation facilities; and sanitation and protection of the environment, which includes disposal of sewerage, stormwater drainage and garbage.

New South Wales assesses 21 categories of expenditure including three classes of road maintenance. It assesses more than 40 distinct disabilities among the categories. It defines a standard expenditure based on average expenditures, excluding extreme values. Differential expenditure needs are equal to the standard per service unit (mostly population) multiplied by the average number of service units and the overall disability for the category. The disability estimates the extent to which the unavoidable cost per unit exceeds the State average (positive disabilities) or falls short of it (negative disabilities). In most cases, if the cost per unit is assessed to be negative, zero is substituted, so generally no negative assessments are made.

Victoria assesses 20 categories of expenditure including three for roads. It defines a standard expenditure based on average modal expenditures per service unit (mostly population). Expenditure needs are equal to the standard per service unit multiplied by the number of service units, the overall disability for the category and a discount factor to take account of the expenditure needs met by specific purpose grants. The disability is an estimate of the unavoidable cost per unit of the council, relative to those of other councils.

Queensland assesses relatively few expenditure categories. For the bulk of expenditure it assesses current and capital needs as equal to a minimum of about \$868,000 – a fixed cost or flagfall amount that is included irrespective of the

number of people serviced by the council – and additional per-person needs of about \$307 per person. The amounts so assessed are increased or decreased by a disability factor. For Aboriginal and Torres Strait Islander councils, it assesses no minimum but allows needs of \$810 per person and provision for a disability factor as for other councils. For categories representing a small proportion of expenditure, known as 'effort positive', it assesses current and capital needs equal to actual expenditure.

Western Australia assesses eight expenditure categories. It assesses about 25 disabilities. It defines standard expenditure as a minimum amount specific to each category, and sometimes to a class within each category, and amounts per unit of service (usually population). Needs are defined as the product of the standard, the units of service, disabilities and discounts for needs met by special purpose grants.

South Australia assesses 13 expenditure categories apart from those assessing road needs. It estimates component expenditure grants as positive or negative contributions to the overall grant according to whether the costs of providing each service can be expected to be greater than or less than the average cost for the State as a whole due to factors outside the control of councils. For each service, the total State expenditure is divided by a unit of measure to calculate the standard cost. For example, for garbage the unit of measure is the number of residential properties. The value of units for each council per capita is compared with the standard and the difference – whether positive, negative or zero – is multiplied by the average cost per unit and rescaled by population. This gives the component expenditure grant. For some services a further cost relativity index, defined with reference to a State average of one, is used to inflate or deflate the unit of measure per capita, to take account of other influences on expenditure beyond the control of councils.

Tasmania assesses eight expenditure categories, including one for roads (made up of four classes). It assess about 15 disabilities. It defines standard expenditure as the State average. Needs are defined as the product of the standard, the population and the cumulative disability allowance (one plus the sum of the amount by which each disability exceeds one).

The **Northern Territory** assesses six categories, including one for roads. It assesses about five disabilities. Needs are defined as the product of the population, average expenditure per person, and the compounded disabilities, minus grants received. A flagfall of about \$70,000 is allowed for general administration.

Needs of Indigenous communities

The fifth National Principle for distribution of general purpose grants requires grants commissions to allocate assistance to councils in a way that recognises the needs of Aboriginal and Torres Strait Islander peoples within their boundaries.

All grants commissions allocate funding to councils taking into account the population of the council. Therefore, councils that have Indigenous people as part of their community will receive financial assistance funding in respect of them. However, this National Principle goes further than this and requires grants commissions to allocate grants in a way that recognises the additional costs of providing services to Indigenous people.

Councils in **New South Wales** with above the State average proportion of Indigenous people receive recognition for the additional costs of providing services to Indigenous people in the expenditure assessments for General Administration and General Community Services.

Victoria incorporates the proportion of each council's population that is Aboriginal as a cost driver in its Health and Welfare expenditure assessment.

In **Queensland**, most of the larger geographically discrete Indigenous communities are located within the 32 Aboriginal and Torres Strait Islander councils or the Shires of Aurukun and Mornington. The assessment of non-road expenditure for the Indigenous councils is different to that for mainstream councils.

For mainstream councils, it is calculated as:

$$\begin{aligned} \text{Assessed non-road expenditure} = \\ \$868.346 + (\$307.44 \times \text{population}) \\ \times \text{disability factor (local government)} \end{aligned}$$

Whereas for Indigenous councils, it is calculated as:

$$\begin{aligned} \text{Assessed non-road expenditure} = \\ \$810.32 \times \text{population} \times \text{disability} \\ \text{factor (Indigenous councils)} \end{aligned}$$

Western Australia includes two disability factors – socioeconomic disadvantage and population dispersion – in their expenditure assessments. The Commission believes that the particular needs of Indigenous people in the community and of Indigenous communities will be reflected in these factors. In addition, 16 councils receive an allowance that recognises the additional costs of providing environmental health services (that is, the inspection of food premises, water supply, waste disposal and dog control) to remote Indigenous communities.

Western Australia also sets aside 2.3 per cent of the road grant component as special project funds for improvements to access roads to remote Indigenous communities.

In **South Australia**, the needs of Indigenous communities within mainstream councils are recognised through the proportion of Indigenous people in the council. The Commission allocates a dollar amount per capita. In addition, the

Commission gives special consideration to councils that have a high non-residential use of their facilities.

Five Indigenous communities receive financial assistance grant funding. Due to the unavailability of data, grants for these communities cannot be calculated in the same manner as grants to other councils so the Commission allocates funding on a per capita basis. These per capita amounts were established after comparisons were made with communities in other States. For example, in 2000–01 the allocation to Anangu Pitjantjatjara was \$302 per capita.

Tasmania makes no special allowance for Indigenous people as there are very few separately identifiable Indigenous communities in that State and there are no targeted services provided by councils for these communities that are not also provided to other residents.

Aboriginal councils make up 85 per cent of the local governing bodies in the **Northern Territory**. The additional cost of providing services to Aboriginal people is incorporated through the inclusion of the proportion of the population that is Aboriginal for each council in the expenditure assessments.

Outcomes

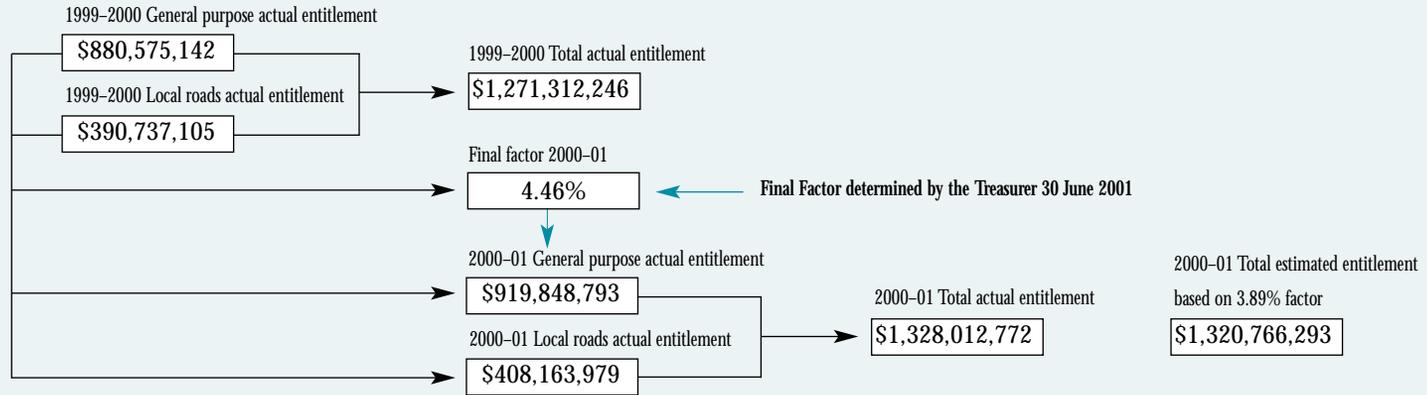
Grant outcomes for individual councils are provided in Appendix D, Distribution of financial assistance grants to local government 2000–01.

Determining actual State entitlements for 2000–01 and estimated entitlements for 2001–02

For each State and for both components of the grants, actual entitlements for the previous year and estimated entitlements for the forward year are calculated using the respective final factor and estimated factor, which are determined in accordance with the Act (see ‘Determining the quantum of the grant’ above).

The factors used and the entitlements calculated for the 2000–01 actual entitlement and the 2001–02 estimated entitlement are set out in figures 3.1 and 3.2 respectively.

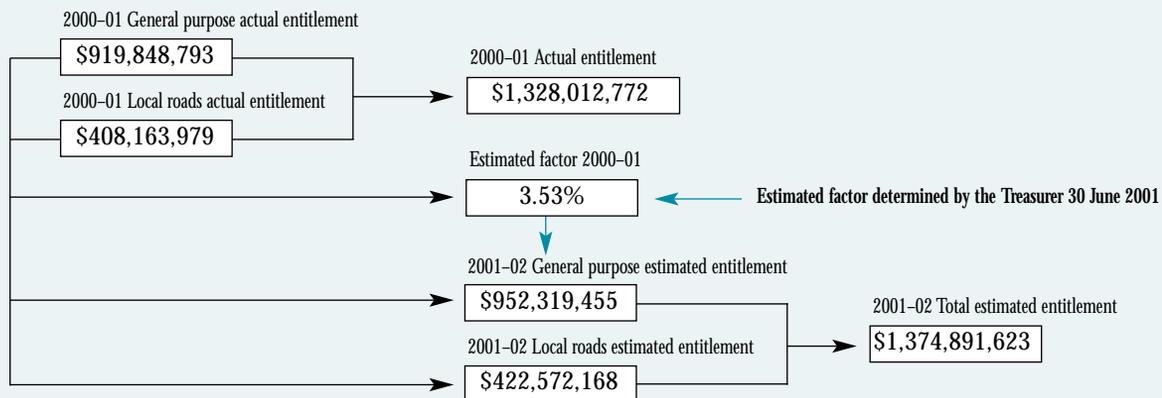
Figure 3.1 Calculation of financial assistance grants, actual entitlements for 2000–01



Calculation of underpayment for 2000–01

	Population 31 December 1999	2000–01 Actual general purpose entitlement	Difference between 2000–01 general purpose actual and estimated entitlement	2000–01 Actual local roads entitlement	Difference between 2000–01 local roads actual and estimated entitlements
NSW	6,433,572	\$310,670,281	\$1,293,723	\$118,421,178	\$646,181
Vic	4,736,717	\$228,730,976	\$1,363,213	\$84,148,650	\$459,168
Qld	3,536,312	\$170,764,708	\$1,035,385	\$76,474,975	\$417,296
WA	1,871,021	\$90,349,594	\$493,190	\$62,408,872	\$340,542
SA	1,496,207	\$72,250,229	\$520,646	\$22,431,374	\$122,400
Tas	470,749	\$22,731,964	\$200,273	\$21,629,807	\$118,026
NT	194,297	\$9,382,393	\$66,654	\$9,561,170	\$52,172
ACT	309,981	\$14,968,649	\$46,194	\$13,087,954	\$71,416
Total Australia	19,048,856	\$919,848,793	\$5,019,278	\$408,163,979	\$2,227,201
				Total actual entitlement — June 2001	\$1,328,012,772
				Total estimated entitlement — June 2000	\$1,320,766,293
				Actual entitlement difference from estimated entitlement (underpayment)	\$7,246,480

Figure 3.2 Calculation of financial assistance grants, estimated entitlements for 2001–02



	Projected population December 2000	2001-02 Estimated general purpose entitlement	2000-01 General purpose underpayment	2001-02 General purpose actual grant paid	2001-02 Estimated local roads entitlement	2000-01 Local roads underpayment	2001-02 Local roads actual grant paid
NSW	6,502,615	\$321,293,043	+ \$1,293,723 =	\$322,586,766	\$122,601,445	+ \$646,181 =	\$123,247,626
Vic	4,797,366	\$237,036,995	+ \$1,363,213 =	\$238,400,208	\$87,119,097	+ \$459,168 =	\$87,578,265
Qld	3,597,203	\$177,737,156	+ \$1,035,385 =	\$178,772,542	\$79,174,542	+ \$417,296 =	\$79,591,838
WA	1,897,381	\$93,749,256	+ \$493,190 =	\$94,242,446	\$64,611,905	+ \$340,542 =	\$64,952,447
SA	1,500,491	\$74,138,992	+ \$520,646 =	\$74,659,638	\$23,223,201	+ \$122,400 =	\$23,345,601
Tas	470,142	\$23,229,632	+ \$200,273 =	\$23,429,905	\$22,393,339	+ \$118,026 =	\$22,511,365
NT	196,308	\$9,699,543	+ \$66,654 =	\$9,766,197	\$9,898,679	+ \$52,172 =	\$9,950,851
ACT	312,384	\$15,434,838	+ \$46,194 =	\$15,481,031	\$13,549,958	+ \$71,416 =	\$13,621,374
Total Australia	19,273,890	\$952,319,455	+ \$5,019,278 =	\$957,338,734	\$422,572,168	+ \$2,227,201 =	\$424,799,369
					Total estimated entitlement 2001-02		\$1,374,891,623
					Total underpayment from 2000-01		\$7,246,479
					Total actual grant paid 2001-02		\$1,382,138,102

Note: data may vary by a maximum of plus or minus \$1.00 due to rounding

National grant allocation

The level of general purpose grants since the Commonwealth commenced general purpose assistance to local government in 1974–75 together with untied local road grants since 1991–92 are detailed in table 3.4.

Table 3.4: National financial assistance grant allocation, 1974–75 to 2001–02 (\$)

Year	General purpose	Local roads	Total
1974–75	56,345,000	n/a	56,345,000
1975–76	79,978,000	n/a	79,978,000
1976–77	140,070,131	n/a	140,070,131
1977–78	165,327,608	n/a	165,327,608
1978–79	179,426,870	n/a	179,426,870
1979–80 ¹	222,801,191	n/a	222,801,191
1980–81	302,226,347	n/a	302,226,347
1981–82	352,544,573	n/a	352,544,573
1982–83	426,518,330	n/a	426,518,330
1983–84	461,531,180	n/a	461,531,180
1984–85	488,831,365	n/a	488,831,365
1985–86	538,532,042	n/a	538,532,042
1986–87	590,427,808	n/a	590,427,808
1987–88	636,717,377	n/a	636,717,377
1988–89	652,500,000	n/a	652,500,000
1989–90	677,739,860	n/a	677,739,860
1990–91	699,291,988	n/a	699,291,988
1991–92 ²	714,969,488	303,174,734	1,018,144,222
1992–93 ³	730,122,049	318,971,350	1,049,093,399
1993–94	737,203,496	322,065,373	1,059,268,869
1994–95	756,446,019	330,471,283	1,086,917,302
1995–96 ⁴	806,748,051	357,977,851	1,164,725,902
1996–97	833,693,434	369,934,312	1,203,627,746
1997–98	832,859,742	369,564,377	1,202,424,119
1998–99	854,180,951	379,025,226	1,233,206,177
1999–2000	880,575,142	390,737,104	1,271,312,246
2000–01	919,848,793	408,163,979	1,328,012,793
2001–02 ⁵	952,319,455	422,572,166	1,374,891,621

Notes:

- 1 Grants to the Northern Territory under the Act commenced in 1979–80, the initial allocation being \$1,061,733.
- 2 Prior to 1991–92 local roads grants were provided as tied grants under a different Act.
- 3 In 1992–93 part of the local roads grant entitlement of the Tasmanian and Northern Territory Governments was reallocated to local government in the respective State.
- 4 Grants to the Australian Capital Territory under the Act commenced in 1995–96, the initial allocation being general purpose (\$13,572,165) and local roads (\$11,478,714).
- 5 For 2001–02 the national grant allocation is the estimated entitlement.

Source: Department of Transport and Regional Services

The grant entitlements for States from 1997–98 to 2001–02 are provided in table 3.5. Estimated grants entitlements for 2001–02 by State, along with proportional changes from the previous year, are set out in table 3.6.

Table 3.5: Grant entitlements for all States by type of grant, 1996–97 to 2001–02 (\$m)

State	Type of grant	1997–98	1998–99	1999–00	2000–01	2001–02
NSW	GP	282,122,341	289,122,909	297,893,674	310,670,281	321,293,043
	LR	107,222,222	109,967,111	113,365,094	118,421,178	122,601,445
	Total	389,344,563	399,090,020	411,258,768	429,091,459	443,894,488
Vic	GP	207,111,178	212,348,975	218,827,409	228,730,976	237,036,995
	LR	76,190,807	78,141,293	80,555,859	84,148,650	87,119,097
	Total	283,301,985	290,490,268	299,383,268	312,879,626	324,156,092
Qld	GP	152,536,153	157,152,792	162,692,473	170,764,707	177,737,156
	LR	69,242,824	71,015,440	73,209,818	76,474,975	79,174,542
	Total	221,778,977	228,168,232	235,902,291	247,239,682	256,911,698
WA	GP	80,589,237	83,128,999	86,223,641	90,349,594	93,749,256
	LR	56,506,936	57,953,514	59,744,277	62,408,872	64,611,905
	Total	137,096,173	141,082,513	145,967,918	152,758,466	158,361,161
SA	GP	66,758,105	68,005,311	69,591,120	72,250,229	74,138,992
	LR	20,310,065	20,830,002	21,473,649	22,431,374	23,223,201
	Total	87,068,170	88,835,313	91,064,769	94,681,603	97,362,193
Tas	GP	21,438,387	21,683,676	22,002,166	22,731,964	23,229,632
	LR	19,584,301	20,085,659	20,706,306	21,629,807	22,393,339
	Total	41,022,688	41,769,335	42,708,472	44,361,771	45,622,971
NT	GP	8,356,940	8,636,642	8,938,475	9,382,393	9,699,543
	LR	8,656,981	8,878,600	9,152,948	9,561,170	9,898,679
	Total	17,013,921	17,515,242	18,091,423	18,943,563	19,598,222
ACT	GP	13,947,401	14,101,647	14,406,184	14,968,649	15,434,838
	LR	11,850,241	12,153,607	12,529,153	13,087,954	13,549,958
	Total	25,797,642	26,255,254	26,935,337	28,056,603	28,984,796
National total	GP	832,859,742	854,180,951	880,575,142	919,848,793	952,319,455
	LR	369,564,377	379,025,226	390,737,104	408,163,979	422,572,166
Total		1,202,424,119	1,233,206,177	1,271,312,246	1,328,012,772	1,374,891,621

Notes: All years are actual entitlement except 2001–02 which is an estimated entitlement.

All variations are due to rounding adjustments.

GP = General Purpose

LR = Local Roads

Source: Department of Transport and Regional Services

Table 3.6: Estimated grant entitlements and percentage change from previous year by State, 2001–02

	general purpose (\$m)	% change	local roads (\$m)	% change	total grant (\$m)	% change
NSW	321.3	3.42	122.6	3.53	443.9	3.45
Vic	237.0	3.63	87.1	3.53	324.2	3.60
Qld	177.7	4.08	79.2	3.53	256.9	3.91
WA	93.7	3.76	64.6	3.53	158.4	3.67
SA	74.1	2.61	23.2	3.53	97.4	2.83
Tas	23.2	2.19	22.4	3.53	45.6	2.84
NT	9.7	3.38	9.9	3.53	19.6	3.46
ACT	15.4	3.11	13.5	3.53	29.0	3.31
Total	952.3	3.27	422.6	3.53	1374.9	3.38

Notes: For comparative information for 2000–01 see also table 3.5.

All variations are due to rounding adjustments.

Source: Department of Transport and Regional Services

Allocation of grants to councils

Payment to councils of financial assistance grants for 2000–01 were made in accordance with the recommendations made by State Ministers and approved by the Commonwealth Minister. Appendix D contains the final grant entitlements for all councils in 2000–01. The estimated entitlements for 2001–02 are also provided.

Table 3.7 sets out the average general purpose grant per capita to councils by State and the ACLG (a description of the ACLG is in Appendix F); and table 3.8 provides the average local roads grant per kilometre. The ACLG has been developed to aid comparison of councils with like councils, and is used here to indicate trends and allow comparison of grants to individual councils with the average for their category.

The results in tables 3.7 and 3.8 suggest there are some major differences in outcomes between States. Notwithstanding the capacity of the ACLG system to group like councils, it should be noted that there remains considerable scope for

divergence within these categories, and for this reason the figures should only be taken as a starting point for inquiring into grant outcomes. This divergence can occur because of factors including isolation, population distribution, local economic performance, daily or seasonal population changes, age of population and geographic differences. Divergence can also occur because of variations between States of the relative ranking within the State on the basis of need of the different ACLG categories.

From the allocations of the general purpose grants and local roads grants to councils within a State, the implicit ranking of councils by the Local Government Grants Commission – from the most needy to the least needy – can be obtained. For the general purpose grants, these are obtained by ranking councils on their general purpose grant per capita while for local roads grants, these are on the basis of local roads grant per kilometre. Appendix E provides these ranking of councils by State for 2000–01.

Grants commissions are required, under the Act, to make their recommendations to State Ministers in accordance with the National Principles. The Commonwealth Grants Commission was asked to examine the effectiveness of arrangements under the *Local Government (Financial Assistance) Act 1995* in ensuring that the allocation of funds is made on a full horizontal equalisation basis. They were also asked to assess the consistency of the methods of local government grants commissions with the National Principles. Their findings are summarised in the box.

Achieving horizontal equalisation and consistency with the National Principles

In the review of the operation of the Act, the Commonwealth Grants Commission recommended that:

- The term horizontal equalisation be replaced with 'relative need based on equalisation principles' because this more clearly reflects the Commonwealth's intentions and what is being, and can be, achieved.
- While the underlying intention of the Horizontal Equalisation National Principle is being implemented, some changes are needed in local government grants commissions' methods to promote more effective implementation of equalisation.
- Local government grants commissions' methods are consistent with the Minimum Grant, Effort Neutrality and Identified Road Component National Principles but not with the Other Grant Support National Principle.
- The Aboriginal Peoples and Torres Strait Islanders National Principle has not been consistently addressed by local government grants commissions.

Table 3.7: Average general purpose grant per capita to councils by State and ACLG category, 2000–01 (\$)

Classification	State							Average
	NSW	Vic	Qld	WA	SA	Tas	NT ¹	
Urban Capital City (UCC)	14.54	14.56	14.60	14.56	30.52	14.50	19.92	15.14
Urban Development Small (UDS)	14.54	15.13	n/a	15.32	14.99	n/a	n/a	15.01
Urban Development Medium (UDM)	17.73	32.87	15.08	14.56	16.22	n/a	n/a	17.68
Urban Development Large (UDL)	21.41	28.64	n/a	14.56	30.06	n/a	n/a	26.19
Urban Development Very Large (UDV)	22.99	30.97	14.60	14.56	n/a	n/a	n/a	26.23
Urban Regional Small (URS)	81.85	92.01	338.37	92.20	82.56	46.19	49.10	79.15
Urban Regional Medium (URM)	60.58	84.21	34.50	28.62	n/a	21.79	n/a	55.82
Urban Regional Large (URL)	64.81	81.53	20.74	n/a	n/a	n/a	n/a	50.64
Urban Regional Very Large (URV)	50.91	54.01	15.46	n/a	n/a	n/a	n/a	34.12
Urban Fringe Small (UFS)	n/a	92.10	48.75	17.95	30.88	51.02	41.66	48.29
Urban Fringe Medium (UFM)	39.17	49.58	18.29	27.50	51.24	n/a	n/a	34.72
Urban Fringe Large (UFL)	63.06	41.15	14.60	15.20	n/a	n/a	n/a	26.19
Urban Fringe Very Large (UFV)	32.57	44.09	24.36	14.56	37.41	n/a	n/a	33.66
Rural Significant Growth (RSG)	n/a	44.52	40.54	59.69	n/a	n/a	n/a	47.51
Rural Agricultural Small (RAS)	392.32	n/a	1,468.97	367.27	275.83	300.72	n/a	398.34
Rural Agricultural Medium (RAM)	237.88	n/a	392.24	130.45	168.36	147.77	n/a	237.98
Rural Agricultural Large (RAL)	173.98	173.43	155.79	192.01	115.66	99.26	n/a	148.85
Rural Agricultural Very Large (RAV)	121.93	106.52	70.12	120.45	75.98	72.76	41.61	93.14
Rural Remote Extra Small (RTX)	316.24	n/a	3,918.68	2,564.50	259.37	n/a	198.86	819.92
Rural Remote Small (RTS)	n/a	n/a	1,935.25	774.51	n/a	n/a	113.05	556.71
Rural Remote Medium (RTM)	645.76	n/a	799.40	435.59	302.18	n/a	101.02	438.99
Rural Remote Large (RTL)	298.07	n/a	324.08	291.65	151.09	n/a	n/a	277.07
Average	48.32	48.32						

Note: 1 Excludes Northern Territory Trust Fund.

Source: Department of Transport and Regional Services

Table 3.8: Average local roads grant per kilometre to councils by State and ACLG category, 2000–01 (\$)

Classification	State							Average
	NSW	Vic	Qld	WA	SA	Tas	NT	
Urban Capital City (UCC)	2,032.27	1,661.80	1,657.06	3,400.80	1,265.28	3,048.93	3,264.71	1,844.38
Urban Development Small (UDS)	1,744.80	1,508.25	n/a	1,475.82	1,347.37	n/a	n/a	1,555.57
Urban Development Medium (UDM)	1,839.05	1,592.98	1,682.35	1,457.43	1,528.41	n/a	n/a	1,567.12
Urban Development Large (UDL)	1,756.29	1,470.37	n/a	1,361.52	1,273.32	n/a	n/a	1,433.50
Urban Development Very Large (UDV)	1,785.53	1,464.85	1,692.53	1,423.76	n/a	n/a	n/a	1,566.93
Urban Regional Small (URS)	1,226.61	784.88	607.95	1,199.83	839.32	1,923.22	3,275.80	709.59
Urban Regional Medium (URM)	1,243.36	790.81	988.19	907.45	n/a	2,287.47	n/a	854.85
Urban Regional Large (URL)	1,254.46	1,163.99	1,094.74	n/a	n/a	n/a	n/a	1,084.30
Urban Regional Very Large (URV)	1,413.17	1,490.92	1,307.75	n/a	n/a	n/a	n/a	1,410.57
Urban Fringe Small (UFS)	n/a	832.22	519.95	1,158.15	1,263.17	1,307.59	3,308.95	760.28
Urban Fringe Medium (UFM)	1,197.43	972.94	837.21	1,103.40	638.40	n/a	n/a	922.04
Urban Fringe Large (UFL)	1,191.73	1,491.55	1,158.09	1,241.65	n/a	n/a	n/a	1,306.62
Urban Fringe Very Large (UFV)	1,419.32	1,219.50	976.40	1,312.15	1,007.39	n/a	n/a	1,242.61
Rural Significant Growth (RSG)	n/a	856.51	515.19	854.62	n/a	n/a	n/a	750.08
Rural Agricultural Small (RAS)	587.06	n/a	345.29	393.07	165.39	947.77	n/a	351.05
Rural Agricultural Medium (RAM)	618.84	n/a	372.68	545.35	144.49	1,114.93	n/a	445.95
Rural Agricultural Large (RAL)	652.56	323.98	403.24	595.52	254.50	1,493.59	n/a	455.90
Rural Agricultural Very Large (RAV)	737.44	575.84	444.73	507.00	349.99	1,445.09	1,950.01	531.02
Rural Remote Extra Small (RTX)	n/a	n/a	338.29	265.83	787.88	n/a	1,222.79	313.97
Rural Remote Small (RTS)	n/a	n/a	334.46	351.18	n/a	n/a	915.15	378.63
Rural Remote Medium (RTM)	548.62	n/a	335.53	357.80	105.49	n/a	647.79	344.13
Rural Remote Large (RTL)	1 566.11	n/a	350.36	533.89	n/a	n/a	n/a	433.92
Northern Territory Trust fund	n/a	n/a	n/a	n/a	n/a	n/a	407.40	407.40
Average	829.06	1,536.32	529.35	664.51	301.76	1,536.32	761.12	620.60

Source: Department of Transport and Regional Services

Table 3.9: Numbers of councils on minimum grant and proportion of State population covered by minimum grant councils, by State, 1997–98 to 2001–02

	NSW	Vic	Qld	WA	SA	Tas	NT	Total
1997–98								
no. of councils	22	7	2	17	4	1	0	53
% of population	22%	18%	10%	52%	10%	10%	0%	19%
1998–99								
no. of councils	22	6	4	22	4	2	0	60
% of population	24%	13%	19%	57%	10%	19%	0%	22%
1999–2000								
no. of councils	22	7	7	24	5	2	0	67
% of population	24%	15%	52%	61%	10%	19%	0%	30%
2000–01								
no. of councils	22	9	9	24	5	2	0	70
% of population	24%	17%	57%	61%	10%	19%	0%	31%
2001–02								
no. of councils	21	9	10	23	9	2	0	74
% of population	24%	18%	59%	57%	16%	19%	0%	31%

Source: Department of Transport and Regional Services

Councils on the minimum grant

Councils receiving the minimum grant entitlement generally fall within the classification of Capital City, Urban Metropolitan Developed or Urban Fringe as described in the ACLG. Councils on the minimum grant are identified with a hash (#) in Appendix D. The per capita grant of these councils is around \$14.50 but differs slightly between States. This difference arises from slight variations in data sources for population used to calculate the State share of general purpose grants and those used for the allocations for individual councils.

Table 3.9 provides the number of councils on minimum grant, by State from 1997–98 to 2001–02 and shows an upward trend nationally in the number of minimum grant councils.

Table 3.9 also shows a wide variation between States for the proportion of the population

covered by councils receiving the minimum grant. The proportion ranges from zero per cent in the Northern Territory to just on 60 per cent for Western Australia and Queensland. This variation arises because of differences in circumstances in each State as well as differences in the methodology used by each State Grants Commission. However, if State Grants Commissions were achieving similar outcomes such a wide variation would not be expected.

In 2000–01, the proportion of general purpose grant that went to councils on the minimum grant was just over 9 per cent nationally. The proportion varied from zero per cent in the Northern Territory to 18 per cent in Queensland.

Some councils appear concerned if they receive the minimum grant. However, according to the Grants Commission methods, councils on the minimum grant are able to afford above average standards of service and/or below standard

revenue-raising efforts. It simply demonstrates that they are **relatively** affluent compared to the other councils in the State that are not on the minimum grant.

The impact of grants commission 'capping' policies

Year-to-year variations in the data grants commissions use to calculate the grants to councils are capable of leading to big changes in grants. Sometimes changes to grants commission methods, to improve their assessments of the grants most likely to achieve horizontal equalisation, also lead to changes. Unexpected changes in grants would impede efficient planning by councils and grants

commissions have adopted policies to ensure changes are not unacceptably large.

Many commissions average the data of several years to reduce fluctuations. Nevertheless, they have found that policies to limit changes, by capping the maximum increase and decrease possible, are needed to limit year-to-year variation. For example, capping may constrain the maximum year-to-year increase in grants to 10 per cent and the maximum decrease to 5 per cent. Under this regime, a council that for example would otherwise have received an unconstrained grant 7.5 per cent lower than in the previous year would have its reduction limited to 5 per cent.

No council receives less than the minimum grant, so councils on the minimum grant are exempt

Table 3.10: The influence of capping on grant distribution, by State, 2000–01 (general purpose grants)

		Unconstrained grant minus capped grant					Total councils
		Less than –10%	Between –10% and –0.5%	Between 0.5% and – +0.5%	Between +0.5% and +10%	More than +10%	
NSW	No.	11	84	24	52	6	177
	%	6%	47%	14%	29%	3%	100%
Vic	No.	7	16	49	3	4	79
	%	9%	20%	62%	4%	5%	100%
Qld	No.	53	34	9	5	56	157
	%	34%	22%	6%	3%	36%	100%
WA	No.	0	3	139	0	0	142
	%	0%	2%	98%	0%	0%	100%
SA ¹	No.	24	8	8	3	25	68
	%	35%	12%	12%	4%	37%	100%
Tas	No.	0	3	24	2	0	29
	%	0%	10%	83%	7%	0%	100%
NT ²	No.	4	9	1	54	0	68
	%	6%	13%	1%	79%	0%	100%

Notes:

1 Excludes Aboriginal communities.

2 Excludes Northern Territory Road Trust Fund.

Source: Information supplied by State Grants Commissions

from capping. In some circumstances, a grants commission may decide a council's grant should not be capped. Usually, this is to allow a larger grant increase than otherwise.

Commissions estimate the unconstrained grants in conformity with the National Principles for allocating grants. For this reason, capping changes the allocation from those consistent with the National Principles, although usually the extent of the divergence is relatively small.

However, to monitor the influence of capping, information was sought from each State. Table 3.10 summarises this information by showing the number and percentage of councils in receipt of grants above or below those strictly consistent with the National Principles and the extent of the differences.

The Commonwealth has accepted the use of phasing arrangements like capping to ensure reasonable stability of funding to councils as having a useful role to play in allocating grants. However, capping should allow the phasing of even large changes to grants within a reasonably short period of time. Unless the new level of grants is achieved within three to five years, maximum, capping could be seen as impeding achievement of the objectives set out in the National Principles.

Table 3.10 shows that, in two States, a large proportion of councils receive grants more than 10 per cent different from what would

be received under a strict interpretation of the National Principles. South Australia introduced considerable changes to its methods in 1998–99 to better conform to the requirements of the National Principles and as the result of its comprehensive review methods. This resulted in an increase in the percentage of South Australian councils that were within the plus to minus 10 per cent range from 13 per cent in 1998–99 to 19 per cent in 1999–2000. This proportion has remained consistent in 2000–01. South Australia advises that capping arrangements will be in use until its new methods are fully implemented in five years.

In Queensland, methods have changed little in the last five years, but the grants have been subject to phase-in arrangements over the past five years (see Appendix B). As a result, the grants for many Queensland councils diverge considerably from those consistent with the National Principles although they do comply with the transitional modifications to the National Principles. The differences vary from, at one extreme, around \$1.3 million more for a council than an allocation consistent with the National Principles, to, at the other extreme, around \$740,000 less. The impediments in grants moving to an allocation consistent with the National Principles is the transitional provision that grants cannot fall below a floor of 85 per cent of the grants received in 1994–95 and the limit of 5 per cent on total grants reductions in any year.

CHAPTER 4

LOCAL GOVERNMENT PERFORMANCE

Local government effectiveness and efficiency is affected by its structure and method of measuring performance. The first section of this chapter is about progress in 2000–01 towards structural reform in local government, followed by a discussion about the development of local government performance indicators. The chapter concludes with information on Federal Government programmes aimed at capacity building in local government.

Structural reform of local government in Australia

This section explains why structural reform of local government is still needed in some States and it provides an update on progress made in implementing structural reform in New South Wales. In Western Australia there were 147 councils in 1910 and there are still 142. In every other State the number of councils has been reduced by between a quarter and almost two-thirds.

In South Australia, the State-wide voluntary structural reform undertaken in the mid 1990s has been followed by reforms to modernise legislation. The more modern legislation provides

for more effective and accountable government by:

- assessing the scope for financial and functional reform; and
- developing partnerships between State and local government.

In Tasmania, South Australia and Western Australia, the development of formal partnership agreements is also occurring. These agreements are a promising long-term development in whole-of-government approaches to servicing regional communities and they are assessed in more detail in chapter 7. For a comprehensive analysis of structural reform in every State, see the 1997–98, 1998–99 and 1999–2000 national reports.

Local government structural reform embraces a number of initiatives including cooperative service provision, resource sharing, joint service delivery enterprises, boundary change and amalgamations. The Federal Government has provided almost \$1.3 million under the Local Government Development Programme to facilitate structural reform in South Australia, New South Wales, Western Australia and Tasmania. The Federal Government has

supported structural reform initiatives of the States because:

- it wants to build local government's capacity to serve its community. In general, larger councils have a more secure and adequate financial base, are better able to plan and to contribute to economic development, are more effective community advocates, and interact more effectively with government and business. Small rural councils in Australia's inland face a multitude of challenges including depopulation, low rates, deteriorating infrastructure and demand for better services. Merging can bring greater financial strength and stability to these rural councils.
- it continues to pay councils about \$1.375 billion per annum in untied financial assistance grants or around 9 per cent of council income. It wants councils to deliver value-for-money services to local communities. Structural reform delivers economies of scale and allows councils to employ a wider range of professionals, so they can offer a wider range and higher quality of service.
- without change, councils face the possibility of an ever-diminishing role as individual services are contracted to the private or voluntary sectors, while other concerns, such as the environment, are addressed by special interest groups or agencies. These changes can undermine local democracy and reduce service integration.

An important advantage of structural reform is that the money stays in the community. Money that would have been spent on council depots or stores or on administration can be spent instead on service improvement or infrastructure, such as repairing local roads or providing recreational facilities to help retain young people in rural communities.

The Western Australian Structural Reform Advisory Committee developed a set of principles

for councils in Western Australia to consider their options for structural reform and perhaps these principles can be used for guidance nationally. The Committee said where councils fail to meet more than one of three viability criteria, they should examine their viability, operations and options for structural reform. Those viability criteria are:

- where administration expenditure is more than 10 per cent of expenditure;
- where debt service is more than 33 per cent of rate income; and
- where financial assistance grants are more than 50 per cent of total income.

Another factor to be borne in mind is the size of the council areas. Generally council amalgamations are not practical for large councils in sparsely settled areas, such as north-western New South Wales, Western Queensland, rural parts of the Northern Territory and areas east of the wheat belt in Western Australia. The distances involved in fulfilling council duties generally make such mergers uneconomic.

The national picture

At September 2000, Australia had 726 local governing bodies eligible for financial assistance grants comprising 622 councils and 104 Aboriginal and Torres Strait Islander and other local governing bodies. Over the 80 years to 1991, the number of councils in Australia fell by 20 per cent (Sproats 1996, 5). In the ten years since, council numbers have fallen by a further 25 per cent (see table 4.1).

Local government employment reached 158,300 in February 1994, declined to a low of 139,100 in February 1999 and recovered to 145,200 in February 2001. The biggest reductions were in Victoria where the workforce fell by 13,000 from 44,500 in February 1994 to 31,500 in February 1999 but then made a modest recovery to 33,000 in February 2001. The reductions in Victoria

Table 4.1: Local government 1910–2001 by average council population per State

State	Councils 1910 ¹	Councils 1991 ¹	Councils Sept 2001 ²	Average council pop'n ³	Councillors ⁴	Population per councillor ³	Employees '000			Pop'n served per employee Feb 01
							Feb 97	Feb 99	Feb 01	
NSW	324	176	172	37,887	1,771	3,680	45.4	45.0	46.3	141
Vic	206	210	79	60,962	593	8,122	38.1	31.5	33.0	146
Qld	164	134	125	28,898	1,037	3,483	36.5	36.0	38.0	95
WA	147	138	142	13,409	757	2,515	13.6	13.5	13.5	141
SA	175	122	68	22,079	694	2,163	8.2	8.0	7.9	190
Tas	51	46	29	16,216	280	1,680	4.2	3.7	3.9	120
NT	n/a	n/a	7	28,125	762	258	1.9	2.5	2.5	79
Total	1,067	826	622	31,083	5,894	3,280	148.0	140.1	145.2	133

Sources:

- 1 Sproats 1996, p.5.
- 2 National Office of Local Government (totals exclude the 104 Community, Aboriginal and Torres Strait Islander and other local governing bodies receiving Federal Government financial assistance grants – 32 in Queensland, six in South Australia, three in New South Wales and 62 in the Northern Territory plus one roads trust in the Territory). Australian Bureau of Statistics Employed Wage and Salary Earners, Australia: Trend Series, Cat 6248.0, table 7, March 2001.
- 3 Population data from Australian Bureau of Statistics Australian Demographic Statistics Cat 3101.0, March quarter 2001. Population per councillor S.
- 4 Department of Transport and Regional Services from information provided by State local government associations and individual councils.

followed reforms that led to compulsory mergers, compulsory competitive tenders and mandated rate cuts.

On average, each council employee now serves 133 people (in 2000 they served 137). The Northern Territory and Queensland have many small, scattered Aboriginal and Torres Strait Islander councils correlating with higher than average staffing levels. Staffing levels in South Australian councils appear to be significantly lower than the national average. Each council worker in South Australia must serve on average 190 people or more than 40 per cent above the average for Australia. This is not a new phenomenon. It precedes the mergers of 1996–97. Staff numbers had already fallen from 9,100 in February 1994 to 7,900 in February 1996. The population of South Australia has grown by 2 per cent since 1994 putting additional pressure on staff. These low staffing levels are corroborated in the Centre for Labour Research study below.

There may also be strains in representation levels emerging in Victoria. Australia has about 5,900 local government councillors each representing on average about 3,300 people. But there are wide variations across each State, with each councillor in Victoria representing on average at least twice as many people (about 8,100) as councillors do in other States (some people might instead argue that the other States are over-governed).

South Australian study of council mergers

A study by the Centre for Labour Research at Adelaide University has examined changes in South Australian local government over recent years. Some of the changes include council amalgamations, national competition policy, contracting out, unfunded mandates from the State Government and funding freezes, essentially 'doing more with less'.

The study was based on a survey, focus groups and interviews of employees, councillors and managers. It appears to be most negative about the impact of contracting out (there is corroboration of this in other studies) and about a two-year mandated rate freeze. The study says of amalgamations 'in some cases it is hard to separate the impact of amalgamation from the impact of other changes occurring in local government at the same time'. It says 'the impact has varied considerably from council to council. There appears a clear strong difference in views about the benefits or otherwise between managers and elected councillors on the one hand and the staff of councils on the other' (p.39).

The benefits ...

Bearing these reservations in mind, the study finds the benefits include:

- better planning of council activities;
- more services;
- better use of capital equipment;
- better technology;
- economies of scale;
- more expertise; and
- customer service focus.

One mayor said:

We've been able to rationalise resources. We can better manage our coast, be more specialised ... for example, get more specialised equipment ... the beach cleaning machine ... the rapid response team doing repairs, graffiti, tree cutting. We've been able to rationalise the equipment and more gainfully employ people. We have a larger staff so we can multi-skill and cover absences and have backup for leave. We can negotiate prices, for example, our contract waste management and purchasing ... (p.41).

The study says 'amalgamation is seen as a positive change in some councils which, in combination with other changes in the industry, means more modern accountable and better planned local governments' (p.39). Customers were the major

beneficiaries. One urban council executive said 'there has been a huge impact in terms of our service delivery. The district as a whole has benefited.' More than half of the respondents (54 per cent) to the survey agreed that 'the public gets a better service from their councils than in previous years' (p.80).

Not surprisingly the mergers worked best where management and councillors were most effective at consulting and communicating with staff. In the summary newsletter, *Doing more, with less*, released at the same time as the report, the researchers indicate:

In those councils where amalgamation had either proceeded relatively smoothly or where recovery by the organisation had been achieved best, **all concerned** tended to stress the positive impacts of amalgamation, particularly the issues of planning and customer focus (emphasis added).

In short, well-managed mergers can be very good for residents. In the 1998–99 National Report, sustainable annual savings from the South Australian mergers were estimated to be between \$19 million and \$33 million or about 3 per cent to 5 per cent of council expenditure. The emergence of State–local government partnership agreements is also a positive step for communities and is more practical when the State needs to negotiate with 68 councils instead of 118 councils.

... and the drawbacks

The study identified the negative effects of mergers, some of which were:

- loss of experience and expertise through staff loss;
- job insecurity;
- some confusion about job role;
- an 'us and them' mentality between pre-amalgamation entities;
- a drop in capital expenditure;
- big cuts to road construction (where it applies) and road maintenance; and

- drop in outside staff numbers yet greater areas to deal with (p.42).

The obligations created in pre-amalgamation agreements, which usually involve staff retention, maintaining service centre presence and rate equalisation put pressure on the newly merged councils and their staff.

We had commitments due to the previous council's amalgamation agreement document. It underpinned what would happen with staff, what would happen with buildings, rate equalisation. It was put together in a hurry ... It identified savings that were not realistic, not achievable (p.40).

One rural Chief Executive Officer remarked:

... we were not to raise rates by more than the CPI, plus we needed to align three different rates. That reduces rate income. We're trying to reduce debt. That creates difficulty maintaining services and capital expenditure is decreasing ... spending on tourism and waste management is increasing, spending on roads is decreasing (p.40).

South Australian councils and communities did have the opportunity (unlike Victorian councils and communities) to choose their merger partners. That was important because councils were reluctant to merge with another council with high debt levels. One urban mayor said:

Our communities have a traditional conservative base, a lot of old families who did not want amalgamation ... We had a consultative process. Another council was rejected due to debt levels. The two to amalgamate were financially sound, the communities perceived us as being accessible. That's what they wanted us to be (p.41).

Amalgamations were one of a number of reforms that contributed to staff stress and work intensification as organisations were implementing change as well as carrying out daily duties. However, claims of job shedding made in the study are not supported by the Australian Bureau of Statistics statistics. There were no net reductions in staff – there were 7,900 staff employed in February 1996 and 7,900 staff employed in February 2001.

This compares with the reduction in council employment in Victoria where, mandated rate cuts of 20 per cent, council mergers reducing them 210 to 79 and contracting out of 50 per cent of functions decreased staff numbers from 44,500 in February 1994 to 33,000 in February 2001. This was a massive change. Nevertheless, there is evidence that South Australian council workers are under pressure. As indicated in table 4.1, each council staff member must serve an average of 190 people, or more than 40 per cent more in other Australian States.

Lessons from this and other mergers include:

- achievable pre-amalgamation agreements;
- addressing up-front the budget tension between debt level and service delivery;
- greater staff involvement and consultation;
- combined meetings of all staff at the time of the amalgamation and other strategies to dissolve the 'us and them' feelings; and
- addressing the roles of elected councillors and the divisions between them in the amalgamated council.

The study noted that almost every focus group of outside staff stressed the value of visits from the CEO or other senior management pre- and post-amalgamation to their knowledge of the issues and their feelings of inclusion.

As a result of the study, the Centre for Labour Studies issued *Guidelines for managing workplace change in local government*.

Structural reform in New South Wales

New South Wales has almost halved council numbers, from 324 councils in 1910 to 172 now. This included major changes in the 1970s, when 34 rural councils were amalgamated into 15 larger bodies.

The Federal Government has provided up to \$400,000 to the New South Wales Local Government and Shires' Associations, to enable groups of councils to assess the costs and benefits of further structural reform. Details of projects funded appear in the 1997–98 National Report. The New South Wales Local Government and Shires' Associations has prepared an excellent structural reform manual called *Models for voluntary structural reform* to guide the reforms, assisted by Federal funding.

In July 1999, changes were introduced within the New South Wales *Local Government Amendment (Amalgamations and Boundary Changes) Act 1999* to streamline voluntary council mergers. Councils could defer elections to submit merger proposals for voluntary amalgamation by 30 June 1999. Table 4.2 shows the councils that have amalgamated this year.

For the purposes of calculating the new councils' eligibility for local government financial assistance grants, the New South Wales Grants Commission has treated the former councils as separate entities and aggregated the results to obtain allocations for the new councils.

Sproats Inquiry into local government structure in inner and eastern Sydney

On 11 October 2000, Professor Kevin Sproats was appointed as Commissioner of an Inquiry to review the structure of local government in the inner Sydney areas of Botany Bay, Leichhardt, Marrickville, South Sydney, Sydney, Waverley and Woollahra. The Inquiry concluded on 20 April 2001.

Inquiry recommendations

The Inquiry recommended that reform be rejuvenated through a partnership between the State Government and the community. Councils in New South Wales had supported a policy of 'no forced amalgamations' and Leichhardt, South Sydney and Woollahra Councils had called for

Table 4.2: Council amalgamations in New South Wales

New council name	Former councils	Date new council commenced operations
Armidale Dumaresq Council	Armidale City Council Dumaresq Shire Council	21 February 2000
Richmond Valley Council	Richmond River Shire Casino Council	21 February 2000
Pristine Waters Council	Nymboida Shire Council Ulmarra Shire Council	1 July 2000
City of Canada Bay Council	Concord Council Drummoyne Council	1 December 2000
Conargo Shire Council	Windouran Shire Council Conargo Shire Council	1 July 2001

plebiscites and referenda. However, the Commissioner considered these inherently favoured the status quo and impeded reform. Councils had shown they were unable, through voluntary mergers, to sufficiently advance reform.

The Inquiry recommended that the eight existing councils be replaced with four new councils:

- Council 1 – an enhanced City of Sydney,
- Council 2 – a mixed residential–industrial city,
- Council 3 – a beachside–harbourside residential city, and
- Council 4 – an inner west residential gateway city.

Reform required more than just mergers.

The Sproats Inquiry found that people had a strong allegiance to suburbs rather than to their council area. It recommended that ‘the suburb be recognised both for its expression of community identity and its potential as a unit for local democracy and place management’ and that ‘council strategic and management plans identify specific provision for service delivery and governance within each suburb’ (p.8).

The Inquiry found that councils need to take a more strategic view of their responsibilities and prepare strategic plans to guide their communities

addressing such things as intergovernmental relations, infrastructure and environmental management, local democracy, traffic management, affordable housing, homelessness and drug addiction and service delivery. Councils also need to establish partnerships with State and Federal governments and the private sector on such things as infrastructure management, sustainability, affordable housing and appropriate transport systems. Larger councils would be more influential in this regard. The Inquiry recommended:

That the Department of Local Government examines appropriate mechanisms – including a Regional Forum of Mayors – for intergovernmental relationships at both the local and State level, regional leadership, strategic planning and delivery of region-wide services (p.9).

The Inquiry found that some of the eight councils could be under some financial pressure due to limited revenue-raising capacity, infrastructure requirements and the need to provide a broader range of services. Nevertheless, the councils did not appear to plan to make savings from existing operations to help fund these needs. The Inquiry observed that:

any reconfiguration or reshaping of local government within the area ... should create the

potential to achieve efficiencies [and] savings ... there is potential to reduce the cost of representation, senior staff and operational costs per service (p.37).

The savings could be passed on to the community through a 'community dividend' that is, through rate reductions or better local services and facilities. The Inquiry recommended:

That the Department of Local Government formulate and communicate to the community a programme of ongoing reform which will be pursued in a consultative and transparent manner (p.56).

The Inquiry did not support council requests for the abolition of rate pegging. Instead it called for a review of the formula for determining the level of pegging.

The Inquiry's recommendations are worthy. The regional approach to local government reform

used in the Inquiry could be used elsewhere in the State, particularly in those area with 'doughnut councils' (where one councils is completely enclosed within the boundaries of another council). At the date of writing, the New South Wales Government had yet to announce its formal response to the Inquiry.

The merger of Windouran and Conargo Shires

Following the appointment of an administrator and an inquiry, and with the local community's support, Windouran Shire merged with Conargo Shire on 1 July 2001, adopting the latter council's name.

Windouran Shire was a small rural shire in south-west New South Wales with a population of 378 people and 447 kilometres of local road, 208 kilometres of which were sealed. The

Are 'virtual councils' the answer?

Some small councils advocate (and some, such as Manly, have moved towards) 'virtual councils', where most services are outsourced to obtain economies of scale, with council supervising the contracts. Councillors are then free to concentrate on providing quality local leadership and regulation.

Opponents, such as Sydney Lord Mayor, Frank Sartor, note that small 'virtual councils' still face serious problems (*Daily Telegraph* 20/3/01 p.16):

- Having insufficient revenue to provide major infrastructure, such as aquatic centres. Where these are provided, there is an issue of cost shifting – residents from neighbouring council areas use the major facilities without meeting their full costs.
- Accountability problems over contracted services (who can you rely on to resolve complaints about poor quality services?).
- Regional problems, such as traffic management, would also be intractable because local interests would prevail over regional interests.

In an argument *ad absurdum*, one could say: if it is good to have more small councils, then when do we have enough? Do we, by chance, happen to have exactly the right number and size of councils now? In other words, we must inevitably address the question of 'what is an adequately sized and funded council?' And there is a related argument: it is not necessary to be small to be beautiful. One of the most successful and popular councils in Australia, Brisbane City Council, serves a population of over 820,000.

population of the shire had been shrinking for some years. The shire levied low rates and had a high reliance on grants. Its infrastructure and services were in decline. The shire's five-year road resealing plan had been approved in 1994. By 1999, only the roads scheduled for resealing in 1993–94 were done plus less than two kilometres of road scheduled for 1997–98 (p.22).

In November 1999, the New South Wales Minister for Local Government appointed a Commissioner of Inquiry, Mr Droder, to investigate Windouran Shire Council's finances. Mr Droder delivered his report on 21 January 2000. In his covering letter, he summarised his findings as follows:

I believe that Windouran Shire Council's financial viability is most unsatisfactory and is not truly represented in the public documents prepared by Council so as to adequately inform the local community or the State Government as to the state of affairs.

These documents fail to clearly identify, in my opinion, the liabilities for future expenditure inherent in Council's ageing and deteriorating assets and accumulating liabilities to restore them to a satisfactory condition.

This situation has arisen through council and management's apparent reluctance to seriously face the difficulties they identified in 1991 and which continue in Windouran.

It is partly due to Council's failure to increase rates to an appropriate level which in turn was influenced, to a large degree, by the economic conditions faced by the local community, comprised mainly of primary producers.

It is also due to senior management's lack of forcefulness in pushing for change. Poor financial reporting processes and what seems to be a lack of knowledge of local government procedures added to this situation.

My recommendations include the appointment of an Administrator to council charged with doing what is necessary to restore Windouran to a reasonable financial position.

[With regard to] the attempted merger with Conargo Shire ... while both parties entered

voluntarily into the negotiations I am not convinced the opportunities and benefits from the potential merger were sufficiently explored by either council ... the Administrator [should] enter into negotiations to achieve a merger with either Conargo or Deniliquin Shires or both.

The Commissioner found:

Windouran Shire Council financial viability has been diminishing since at least 1991 from when it has progressively been unable to provide or maintain the quality of services at the level previously delivered to its community. At the beginning of year 2000, Council has no financial reserves, a comparatively low general rate regime, ageing plant and equipment, a minimal workforce and a deteriorating road network.

The Council had attempted to shield farmers from general rate increases. General rates for farms were between 29 per cent and 79 per cent below those levied by Hay, Murray or Wakool Shires.

Windouran and Conargo Shires had discussed the possibility of a merger, but the negotiations were not constructive.

There was apparently no analysis attempted to ascertain the degree of cost savings or efficiency gains that may be achievable by the merged body. There was no analysis of cash that may be released from the sale of assets not required for the merged operations, for example by the sale of an office and plant depots that would be surplus to the requirements of the merged body.

In February 2000 an administrator was appointed and the true financial plight of Windouran Shire was revealed. In late 2000 Conargo and Windouran Councils developed a new merger proposal estimating savings of about \$211,000 per annum (or about 15 per cent of Windouran Shire's \$1.43 million revenue), mainly from overheads.

This is a story of protecting the structure of local government from reform. The price the community paid was deterioration in services and the neglect of local road maintenance. The wider story of faltering local road infrastructure is explored in more detail in chapter 5.

Performance indicators

Following the Australian Urban and Regional Development Review in 1994, the Local Government Ministers agreed to jointly pursue a benchmarking and efficiency programme. The programme included three strategies for increasing local governing bodies' efficiency and effectiveness, to:

- encourage processes of continuous improvement, innovation and reform that enable councils to identify best practice;
- fund specific projects to develop, at a national level, specific new technologies, new practices and systemic reforms that improve council performance; and
- measure the performance of local governing bodies by using performance indicators.

The goal for performance measurement should be to develop and publish dispassionate and objective data to facilitate well-informed judgements that result in sound public policy action. Performance measures may be strategic or simply housekeeping.

In 1997, the Industry Commission (now the Productivity Commission) was asked to review the value and feasibility of developing national performance indicators for local government. It concluded that a nationally consistent approach to performance indicators was not warranted but that there would be considerable benefit to the community by improving existing State and Territory performance measurement systems.

It also concluded that, although national performance indicators would facilitate reporting by the Federal Minister on local government's performance in the National Report, this requirement could be met by providing information and analysis on:

- the application of the National Competition Policy to local government;

- progress by the States in improving the use of performance indicators; and
- developments in areas such as competitive tendering and contracting, increased use of service charters and measures of customer satisfaction, and changes in the structure of local government.

A meeting of Commonwealth State and Territory Officers, the South Australian Local Government Association and the Australian Local Government Association was held in Adelaide on 28 February 2001. At that meeting, a comparison of the various systems indicated that there were significant differences in: the objectives underlying the collections; the indicators being collected; the availability of the indicators to the public and the sector as a whole; and the level of participation by local governments.

The meeting resolved that:

- Further development of State-based performance indicator systems should be encouraged. States should be encouraged to adopt best practice in the development of performance indicator systems.
- State officials meet regularly to examine progress in developing State performance indicator systems to help speed up development of such systems.
- There may be opportunity to develop consistent and comparable national reporting on particular issues, such as infrastructure (in general) or local roads.

State officials will meet again in 2001–02 to examine progress in developing State performance indicator systems. The Victorian Government is to report to the next meeting of Local Government Ministers on the outcomes of the meeting of officials. A report from each of the States and Territories on their individual progress towards developing performance indicators is at Appendix G.

Differences in underlying objectives

The underlying objectives of performance indicators can range from responding to legislated requirements by standardising performance data (housekeeping) to identifying common areas of interest that can usefully form the basis for cooperative action (strategic). The measures taken into account can demonstrate an increase in staff productivity and/or morale, an increased understanding of customer needs, a reduction in the cost of providing services or even an increase in the numbers of the public accessing services. Some indicators suitable for commercial operators, such as raw financial data, have been found to provide an incorrect or misleading picture for public enterprises with a service focus, such as local government.

For comparable indicators, there needs to be agreement on the objectives. The reports from the States at Appendix G indicate that individual States are moving towards agreed objectives in several key areas, particularly in relation to specific services they provide, such as waste management and library services, as well as the relatively straightforward indicators of financial income and expenditure.

Councils, States and local government associations may defer the development of performance indicators for a variety of reasons, including a lack of resources and/or time, a lack of skills and/or a lack of expert support to develop such indicators. They may also feel they are working without a framework, particularly councils located in remote areas, as well as believing that indicators alone may not tell the whole story. The development of State performance indicators and the move towards developing nationally comparable performance indicators will need to address these issues, particularly reassuring councils that they are not alone in tackling the issues of performance measurement.

In its 1997 research report, *Performance Measures for Councils*, the Productivity Commission (then the Industry Commission) pointed out that most States were not linking indicators to key objectives. Indeed, the Western Australian Department of Local Government has found recently that councils are reluctant to voluntarily cooperate in a performance measurement process if it is not closely linked to strategic planning and performance management.

Since the report was released, Queensland, South Australia, the Northern Territory and Tasmania have done significant work to develop their performance indicator framework and link it with partnership or benchmarking objectives. Further, Victoria, with financial support from the Federal Government, has instituted a State-wide programme of customer satisfaction surveys and corporate planning is now a well-established and integral part of the management system of Victorian councils. New South Wales has extended its set of indicators to include nine more indicators that focus on accountability to the local community. This avoids a focus on financial indicators that can reflect level of activity to the exclusion of measuring performance.

In Queensland, the main purpose of the performance management programme is to produce an annual publication of comparative performance information to help local government evaluate their performance.

In South Australia, the Local Government Association's *Comparative Performance Measurement* project commenced on the basis of local government leadership and State-wide support for a sector-wide comparative performance measurement system. A partnership approach was adopted where central leadership and support is being provided whilst participating councils make a commitment in terms of both direct effort and resources.

In the Northern Territory the purpose of the programme is to introduce performance management tools to all councils in such a way as to ensure they become an integral part of community management practices. The intention is to provide contextual information for data on councils to help identify similar councils against which councils may assess their relative performance.

In the Australian Capital Territory, a purchaser/provider model has been pursued. Canberra Urban Parks undertakes an annual customer satisfaction survey and is initiating a benchmarking project with a number of comparable municipal authorities in New South Wales, Victoria and Queensland. Since 1999, RoadsACT has undertaken benchmarking analysis of both performance and process. This process was linked to identifying continuous improvement opportunities for capital works procurement and contract management.

Different indicators

In **New South Wales**, comparative performance information on councils has, until recently, focused on the financial health of councils. The additional indicators introduced in 2000–01 on capital expenditure and total operating expense are now supplemented by information on councils' lodgement of the annual, financial and State of the Environment reports.

In **Victoria**, 76 measures were developed to consistently measure the 'health' and performance of councils and to account to communities for the cost and quality of services. These 76 measures were divided into Annual Plan Indicators and Comparative Indicators. The Annual Plan Indicators are developed around the main categories of:

- financial performance;
- community satisfaction;
- rates management; and
- operating costs.

Comparative Indicators are service-specific measures of unit costs and service quality covering major services provided by councils. They are developed around:

- town planning;
- waste management;
- cleaning and parks;
- public libraries;
- road construction and maintenance;
- family services;
- environmental health;
- aged services; and
- council administration.

In **Queensland**, the comparative report first published on 1998–99 data in September 2000, provides a suite of efficiency, effectiveness and quality of service indicators for key local government functions. It includes financial operations, road maintenance, water, sewerage, waste management, library services and parks and gardens as well as comparative rating and financial information. This is supplemented by contextual information ranging from population density to soil types. The performance indicators are reviewed annually and some minor changes have been made to a small number of indicators over the past three years.

The **Western Australian** Department of Local Government recommenced work in 2000–01 on comparative indicators aiming initially at improving the quality of financial data being received for central processing. In the past, the method for allocating costs, such as administrative overheads, was not clearly understood because councils believed the list of their functions did not adequately describe all their separate activities. The comparative indicators now include 30 key functional and financial performance indicators that highlight significant areas of local government operations in Western Australia.

In **South Australia**, comparative indicators are being developed in the areas of governance, financial and asset management, community satisfaction and quality of life.

In **Tasmania**, the aim is to measure 50 key performance indicators initially as well as gather existing data from the Australian Bureau of Statistics, the State Grants Commission and the State Department of Treasury and Finance.

Local government in the **Northern Territory** is adopting a two-stream approach, with municipal and larger councils collecting a set of quantitative performance information on three identified core services related to roads, waste management and community management. This is to be supplemented with contextual information that aims to explain differences between council circumstances and results. The second stream, consisting of the smaller and more remote councils is less advanced.

In the **Australian Capital Territory**, over 50 performance indicators were initially established. In 2000 these were aggregated into fewer indicators to illustrate the cost efficiencies of asset creation and asset maintenance.

Availability to the public

In **New South Wales**, information on the comparative indicators, was first published in 1991, and publications from 1994–95 onwards have been made available on the web. The raw data that is used for the publication is also available for people to download. In Victoria, where a State-wide Community Satisfaction Measurement programme was commenced at the beginning of 1998, the results of the surveys are compiled and provided to all Victorian councils. The 1999 report included information showing relative change in overall council performance in the previous 12 months.

In **Queensland** a comprehensive report is published annually which includes year-on-year data comparisons. It is now so well established

and accepted by Queensland councils that the programme is expanding to include initiatives which focus on the promotion of best practice and the fostering of a continuous improvement culture within councils. Best practice initiatives may include development of case studies demonstrating best practice in local government performance management and benchmarking.

In **Tasmania**, the State Department of Premier and Cabinet, as the Department responsible for local government, in partnership with the local government association, and with financial assistance from the Local Government Incentive Programme, is developing a series of performance indicators. These are to be available on the web for communities to compare their council's performance against other similar councils. To facilitate this, councils have been grouped into three categories: major cities, other urban and large rural councils, and other councils. Data will be published in summarised tables showing the highest, the lowest and the average figure for each group of councils.

In the **Australian Capital Territory** the main thrust has been to provide a forum for benchmarking partners to exchange their experience and practices.

Level of local government participation in performance measurement

As indicated above, **Western Australia** has spent time and resources (including funding from the Local Government Development Programme in past years) establishing that councillors and senior local government managers need help to see the direct benefit to communities of performance measurement before they are willing to voluntarily cooperate. When they can see how the process helps them better meet community needs and expectations, they are more supportive.

South Australia has established the performance measurement process as a partnership, with councils volunteering to pilot corporate level

comparative indicators. Data and other information needed for the comparative measures will be collected by the Local Government Association of South Australia from a range of sources including the Local Government Grants Commission, the Australian Bureau of Statistics, councils and a community survey. **Tasmanian** local government is pursuing a similar cooperative approach.

By contrast, the New South Wales and Victorian Departments have implemented a compulsory reporting system. The Victorian Department of Local Government believes that the Community Satisfaction Measurement programme has provided very valuable information for councils resulting from the standardised method, which allows comparison/benchmarking between like councils. In addition, smaller councils have been able to obtain information and feedback on service delivery. The cost of this feedback would have been difficult for individual councils to justify.

In **New South Wales**, a number of councils have failed to meet statutory reporting requirements and the Minister has requested details of councils' ability to report in a timely manner with a view to publishing this information on the website.

To help councils in **Queensland** understand the fundamentals of comparative performance measurement, the State Department facilitated several performance management training seminars and benchmarking workshops with councils that requested the service.

In the **Northern Territory** in 1999–2000, 42 councils out of the total of 69 were invited to participate in the two-stream local government performance programme and returned comparative data. In 2000–01 all councils were asked to participate but 30 failed to respond to the survey. Of that 30, most have identified a number of reasons for not providing the data.

In general, local government is moving, at the State level, towards establishing a set of

performance indicators and identifying a range of key stakeholders and effective reporting procedures. Some States are beginning to build up historical data that give local government activities context over time as well as across regions. Councils are starting to recognise the usefulness of data in supporting arguments for particular policy approaches and issues. The next move is to establish ways of making the information available at the State level comparable and accessible at the national level, and this will be a particular focus of the Local Government Joint Officers Group.

At the same time, the Federal Government is keen to help councils measure their progress using currently available data – some of the national sources of data currently available are listed in Appendix M.

Federal Government support for local initiatives

The Federal Government recognises that local government is a prime delivery agent for many essential services to Australian communities and that some of these responsibilities require significant additional resources. To help local government in its wide range of tasks and ensure that individual local actions are set in the context of national priorities and perspectives, thus maximise efficiency and effectiveness, the Federal Government delivers several funded programmes to and through local government. Some of these programmes aim to give local communities better local capacity and some are specific assistance to communities administered through local government. Details of these programmes are below, with examples of projects funded in 2000–01.

Local Government Online

The Federal Government believes it is essential that not only do local communities have access to the latest in communication technology but also

that they have the capacity to make the most of the opportunities these technologies represent. The Local Government Online Fund, administered through the Networking the Nation Programme, supports projects that help councils in regional Australia use advanced telecommunications to enhance service delivery to their communities, including:

- providing online access to their information and services, such as Internet-based online services;
- developing best practice design and delivery models that could be broadly replicated and could position Australia as a world leader in this area;
- facilitating collaboration between authorities to develop and implement best practice models;
- delivering services using video conferencing facilities; and
- providing improved and more affordable access to telephone-based local government information and services.

The Local Government Online Fund was announced in 1998–99 and is to provide \$45 million over five years (1999–2000 to 2003–04) to support regional and rural local councils in using telecommunications to deliver improved services and benefits to their communities. Each State is to receive funding of \$6 million, with \$6 million provided for the Territories and the remaining \$3 million to be maintained in a national pool.

Aggregated, whole-of-State approaches are being given priority, subject to support from individual councils involved and local government associations. Smaller scale projects that demonstrate innovation and best practice, and have the potential to act as models for broader implementation, will also be considered. Consultation with the relevant local government peak body is encouraged in relation to these

projects. Priority is also given to projects that contribute to integrated service delivery across all spheres of government.

Projects worth just over \$24.5 million to local government associations were funded in 2000–01 under the Local Government Online programme. Some samples are featured in the box below.

Queensland Local Government – Connecting Communities – Phase Two

Organisation: Local Government Association of Queensland Inc.

Project description: This project will enable the Local Government Association of Queensland to implement an online service environment for local government in regional, rural and remote areas of Queensland which will provide local government services online to the community.

Funding: \$4,687,629

State and Territory Association Local Government Information System

Organisation: Australian Local Government Association

Project description: This project involves development and implementation of an Online system to gather and share information on an increasing range of Local Government online initiatives across the country, establishing and providing a forum to develop and discuss standards, principles, benchmarks for all 'e' initiatives of local councils in this field.

Funding: \$784,000

Local Government Incentive Programme

The Local Government Incentive Programme was a two-year Commonwealth-funding programme that recognised the need to support small and medium sized local councils to improve the delivery of services and to lead local communities. In 1999–2000, approximately \$3.25 million was allocated to local government associations to help all councils prepare for implementation of the new GST.

In 2000–01, around \$4.5 million was provided under this programme with individual grants up to \$100,000 available where two or more local councils proposed cooperative projects to address issues in their local region. A total of 55 projects were funded.

The focus of this programme in 2000–01 was on the three national priority areas of:

- activities that led to the adoption of best practice and sharing of technical expertise across councils;
- promotion of an enhanced role for local government in leading their communities; and
- increasing the capacity of local government to contribute to regional development.

In keeping with the Government's emphasis on the needs of regional Australia, projects were required to benefit rural councils, or small and medium regional or urban fringe councils.

For details of Local Government Incentive Programme projects funded in 2000–01, see Appendix J.

National Awards for Innovation in Local Government

The National Awards for Innovation in Local Government foster and acknowledge innovation and leading practice in local government. The awards identify and reward local government bodies, associations and other collaborating organisations who are developing and

implementing innovative, resourceful practices that improve local government outcomes and help build sustainable Australian communities.

In 2000–01, the Department of Transport and Regional Services launched a series of Leading Practice seminars at which National Awards for Innovation in Local Government winners demonstrated their successful projects to representatives from interested councils. The seminars were in response to feedback from councils indicating they would value opportunities to learn about leading practice in local government business. Seminars were held in Hobart, Perth, Cairns, Alice Springs, Sydney and Launceston. More are planned for 2001–02.

Award categories and sponsors for 2001 included:

- Business and Regional Development – sponsored by Rural Transaction Centre Programme, Federal Department of Transport and Regional Services;
- Community Services – sponsored by the Federal Department of Family and Community Services;
- Engineering and Infrastructure – sponsored by Ansett Australia;
- Health Services and Aged Care – sponsored by the Federal Department of Health and Aged Care;
- Information Technology – sponsored by Business Entry Point;
- Organisational Practices – sponsored by the Federal Department of Transport and Regional Services;
- Planning and Urban Design – sponsored by the Federal Department of Transport and Regional Services;
- Sustaining Local Communities – LA21 sponsored by Environment Australia;
- Youth Services – sponsored by the Youth Bureau, Federal Department of Education Training and Youth Affairs;

- International Year of Volunteers – sponsored by the Federal Department of Family and Community Services; and
- Strengthening Rural/Remote Communities – sponsored by the Federal Department of Family and Community Services.

The Rural winner for 2001 was the *Coorong Communication Project*, entered by Coorong District Council in South Australia. The council entered three projects for Awards. Of these three, two were category winners, including the national rural winner. The Communication project led to the development of a community-based alternative regional telecommunications network.

The National Award winner in 2001 was *Skills for the Future – A Partnership between the City of Casey, Motorola, the Department of Employment, Education and Training and Local Schools* entered by the City of Casey in Victoria. Through the project, Casey coordinated a successful targeted partnership with State government, the private sector and the education system to provide skilled employment for young people in its community.

For full details of winning projects, category awards and entry conditions, see Appendix K.

Active Australia Local Government Network

As part of the Local Government Incentive Programme projects in 2000–01, the Federal Government sponsored the Active Australia Local Government Network. More than 60 per cent of councils in Australia have backed the Active Australia initiative by becoming involved in the network. The *Local Government Sport and Physical Activity Case Studies* booklet, published in 2000, provided examples of good practice in sport and physical activity coordinated by local government organisations.

Regional Flood Mitigation programme

The Federal Government announced the Regional Flood Mitigation programme in

May 1999. An allocation of \$20 million over three years was made available for projects across Australia aimed at reducing the significant social and economic costs of recurrent flooding in rural and regional areas. In May 2001 the programme was expanded. An additional \$30.8 million was provided to extend the life of the programme by three years, to increase annual funding, and to include outer metropolitan areas in the programme.

The programme is administered in partnership with the States and local authorities. Local authorities with flood control responsibilities, generally local governments, are eligible to apply for funding. Project proposals are comparatively considered by State Assessment Committees against their potential effectiveness in mitigating the impact of flooding. Environmental impact is also considered. The Federal Government contributes one-third of the cost of approved projects. States are required to match Federal funding, but may contribute more, with the balance of project costs being met by local authorities.

Projects eligible for Regional Flood Mitigation include:

- structural flood control works – flood control dams, retarding basins, levees, bypass floodways, and channel improvements;
- property/infrastructure modification – voluntary purchase, house raising, flood-proofing buildings, and flood access provisions; and
- response modification – community awareness, flood warning systems.

The cooperation in all spheres of government in addressing damage caused by flooding has contributed to the success of the programme. Over its first two years of operation, 92 projects have been approved. The Federal contribution to these programmes amounts to some \$13 million and a number of significant projects across

Australia have been completed. Flood mitigation projects funded in 2000–01 include projects for the Launceston City Council and the Shire of Busselton (see box).

Launceston City Council

Location: Scottsdale, in north-eastern Tasmania

Federal Government funding: \$37,000 this financial year, following on from \$5,000 last year for design work. The total cost of the project is expected to be \$200,000.

Project description: Relocation and stabilisation of sections of the Scottsdale Levee.

The Scottsdale Levee is showing distress in a number of locations and needs upgrading to maintain a high level of protection for Launceston. In the 1960s, construction of an extensive system of levees to protect Launceston's commercial, industrial and residential centre was undertaken to prevent major flood damage. Significant foundation failure now requires upgrading in order to maintain an acceptable level of protection for Launceston.

The population of the project area is 2,200. The population affected in the event of an extreme flood is 1,300. The number of properties benefiting from the project is 1,115. The cost of not providing protection against the proposed design flood is estimated at \$21 million.

The project may result in minor and temporary disturbance to the environment, principally local short-term increased water turbidity in the tidal section of the North Esk River at the site of the works. In the long term it offers to reduce the flood susceptibility of the community.

Shire of Busselton

Location: Busselton, in the south-west of Western Australia

Federal Government funding: \$320,000 for 2000–01 following on from design work funded in 1999–2000.

Project description: Construction of the first of nine detention basins in the upper catchment of the Vasse River to increase flood protection from a 1-in-20-year flood to a 1-in-100-year flood.

The Vasse River Diversion was built in the 1930s to reduce flooding in the Busselton area and to divert floodwaters from the central business district into its outlet at Geographe Bay. In 1993, following recommendations of a flood study, the levee banks of the Vasse River Diversion were raised by 0.5 metre to accommodate a 1-in-100-year flood level. In August 1997 major flooding occurred and levee banks were over topped in the lower reaches around Busselton. A review of the 1997 flood indicated that Busselton had a 1-in-20-year level protection and not a 1-in-100-year level. A flood larger than that experienced in 1997 occurred in July 1999 forcing evacuation from 80 houses.

Design works were completed in 1999–2000. The Water and Rivers Commission has indicated that it will apply for funding for construction of some of the detention basins in the 2001–02 Regional Flood Mitigation programme round. The Commission will be responsible for the ongoing maintenance costs of this project.

Roads to Recovery

In November 2000 the Prime Minister and the Minister for Transport and Regional Services introduced a new Federal Government

programme under the *Roads to Recovery Act 2000* to address widespread concerns, especially in rural and regional Australia, about the state of local roads. This Act provides for a Federal Government contribution of \$1.2 billion to local government over four years from 1 January 2001 for roads.

The first quarterly payments to councils under the programme were made on 1 March 2001. To 30 June 2001, 3,000 projects had been submitted for funding and \$150 million had been paid to councils.

Many of the projects involve maintenance work – resealing or resheeting roads – but there are also a considerable number of improvement projects including replacing bridges, widening roads, installing lighting and building new bikeways. A full list of projects funded to date is on the Department of Transport and Regional Services website at <http://www.dotars.gov.au>.

Rural Transaction Centres

Part of the capacity of local communities relates to the services provided within those communities. The Federal Government has recognised the essential role of local government in maintaining services to small and remote communities by providing funding for Rural Transaction Centres through local councils.

The Federal Government announced, in the May 1999 Federal Budget, that it had committed up to \$70 million over five years to help rural and regional communities establish Rural Transaction Centres. The programme focuses on small towns, generally with populations of fewer than 3,000 people where basic services are not being provided and there is no likelihood of service provision in the future without government assistance.

During 2000–01, over 400 communities were involved in the programme. Eleven Centres were opened in regional and rural communities, bringing the number of Rural Transaction Centres approved since the programme

commenced to 76. Of these, 26 of which are operational, 29 were sponsored by local councils. In 2000–01, the programme provided \$3,953,680 in project assistance to establish Centres and \$661,913 in business planning assistance for communities wishing to establish a Centre.

Local government plays a key role in helping their communities establish Rural Transaction Centres. Approximately two-thirds of all approved Centres are sponsored by councils. New business planning applications for 2000–01 also reflect this distribution. Councils have helped communities with cash or in-kind support, planning and, as with the Urana and Tasman Centres, by providing their council chambers to house the Centre.

The programme's field officer network, which commenced operations in March 2001, has further assisted communities to establish Centres. The programme has also improved its accessibility for Indigenous communities. Oenpelli Rural Transaction Centre, which has been sponsored by the Kunbarlanjnja (Gunbalanya) Community Government Council, and the centre in Maningrida sponsored by the Council, both scheduled to open in late 2002, are examples of the way the programme is helping Indigenous communities access basic transaction services through the establishment of their own Rural Transaction Centres.

Regional Solutions programme

The Regional Solutions programme was launched in October 2000. It is an \$86 million, four-year Federal Government programme which aims to help regional, rural and remote communities build their capacity and identify and implement development opportunities.

It is designed to be a flexible funding programme that may be able to offer funding for projects which do not meet the selection criteria of other grant programmes.

The Regional Solutions programme targets communities that:

- are experiencing economic stagnation and/or population decline due to industry restructuring and/or lack of diversity of economic activities;
- are seeking to develop community infrastructure and/or services to cope with population or economic change; or
- can build on the opportunities available in their local communities or regions by undertaking appropriate projects.

Regional Solutions programme grants of between \$1,000 and \$500,000 are available to not-for-profit community organisations or councils (or local government agencies) based (or with

a significant presence) in regional, rural or remote areas for:

- community planning;
- local project implementation;
- community adjustment initiatives;
- local industry development;
- resource people to work for a community or region; and
- regionally-based and community-oriented enterprise or infrastructure projects.

The programme funded a number of local government projects in 2000–01 to the value of \$3,075,658. Some projects that illustrate the wide range funded under this programme are featured in the box below.

Shire of Nannup, Western Australia

Project title: Restoration of the Historic Railway Bridge

Project description: Restore the Old Railway Bridge and employ a tourism development officer to oversee the restoration and further construction of other projects they are developing.

Funding: \$60,000

Shire of Hepburn, Victoria

Project title: Extension of *Creswick District News* Premises

Project description: To increase publication of the local newspaper from monthly to fortnightly, extend premises, employ a part-time reporter and acquire new equipment.

Funding: \$51,750

Urana Shire Council, New South Wales

Project title: Urana Doctor's Residence and Surgery

Project description: To construct a new doctor's residence and surgery in Urana.

Funding: \$109,090

Wellington Shire Council, New South Wales

Project title: Feasibility Study/Business Plan for Establishment of a Photo Voltaic Array Power Station in Briagolong

Project description: To employ a consultant to undertake a feasibility study.

Funding: \$9,090

The Federal Government is also helping councils determine which funding programmes may be able to assist them through projects such as GrantsLINK.

GrantsLINK

Finding the most appropriate funding for community projects was made simpler in May 2001 with the launch of GrantsLINK. GrantsLINK is an innovative website that provides easy, fast and straightforward access to information on Commonwealth funding programmes, through a single site. Communities without Internet facilities are supported by a freecall telephone service, 1800 026 222, that provides applicants with information available on the GrantsLINK site. In the six weeks following the launch, the site was visited more than 21,000 times, with more than 76,000 pages of information viewed. On average, about 450 people visit the site per day.

At www.grantslink.gov.au an inquirer does not need to know which departments offer grant funding. The site lets a person search for grant programmes based on the project the inquirer has in mind.

By the end of June 2001, the level of usage was:

- total pages viewed: 51,067 (average 3000+ per day)
- total visitors to the site: 8,390 (average 490+ per day)
- number of visitors considered unique: 3,251

CHAPTER 5

INFRASTRUCTURE

This chapter discusses some of the challenges facing local government in providing and maintaining its infrastructure. The chapter begins with an estimate of the value of local government infrastructure. It then examines Federal funding for local roads, state infrastructure studies and strategies to improve management of local government's infrastructure. The chapter concludes with an examination of the data available on local government expenditure on environmental and natural resource management and of the impact of salinity on local government infrastructure.

Local government responsibilities

Local government plans, develops and maintains key infrastructure for its communities. Local government provides and maintains infrastructure such as local roads, bridges and footpaths; water and sewerage in some states, drainage, waste disposal, and public buildings. Local government also has planning responsibilities that affect the provision of infrastructure, whether by government or by business. These responsibilities include rezoning of land, subdivision approval, town and environmental planning, development assessment and building regulation. Through traffic management, local government seeks

to minimise the urban environmental impacts of transport infrastructure such as congestion, noise and pollution. Local government also provides a range of social infrastructure such as recreational and cultural facilities and in smaller communities, through its leadership, it makes a major contribution to human capital infrastructure.

In recent years a number of studies have highlighted concerns about the condition of local government infrastructure and its impact on local communities. These include studies of local government infrastructure in Victoria, South Australia and Western Australia, the Rural Roads Congress in Moree and Mildura, and the Final Report of the Regional Australia Summit Steering Committee issued in December 2000. In June 2001, the Commonwealth Grants Commission delivered its report on Federal financial assistance to local government. The report noted a long-term trend for local road maintenance to be downgraded in importance relative to provision of human services.

What is infrastructure?

Infrastructure comprises the assets needed to provide people with access to economic and social facilities and services. Infrastructure facilities have

high capital costs, are time consuming to plan and build, are durable and have low operating costs, and are often networks. They often have environmental and social benefits that are not fully recovered by user charges. Infrastructure comprises:

- **economic infrastructure** – physical facilities such as roads, rail, ports, airports, reservoirs, reticulated water, sewerage, levees, drainage and irrigation facilities, telecommunications, power generation and electricity and gas distribution;
- **social infrastructure** – such as housing, educational, recreational and law and order facilities that support the community's need for social interaction; and
- **human capital infrastructure** – intangible assets such as the educational, skill and health characteristics of populations, that contribute to the productive potential of the community.

Valuing local government infrastructure

The Australian Bureau of Statistics estimates that at June 2000, local government owned land and fixed assets worth \$143 billion. Land was worth

about \$40 billion. Buildings, other construction and infrastructure and plant and equipment are worth almost \$103 billion (see table 5.1).

Note this figure is *net of depreciation* that is, the infrastructure is valued in the condition it is now. State studies use current replacement cost to value infrastructure.

The local government sector has no net debt. At 30 June 2000, it had cash, and other investments worth \$6.532 billion and \$5.691 billion in loans leaving a net surplus of \$841 million (Australian Bureau of Statistics Catalogue No 5512.0, table 30).

Commonwealth Grants Commission of Inquiry

Local government capacity to fund infrastructure is constrained by its general fund-raising capacity. Local government raises about \$16 billion per year. Most funds come from rates and user charges.

The Federal Government supplements local governments' own income with annual local government financial assistance grants. In 2001–02 the grants will be \$1.374 billion, comprising \$951.8 million in general purpose

Table 5.1: Value of selected local government infrastructure, 1999–2000 (fixed assets)

\$million (net of depreciation)

	NSW	Vic	Qld	WA	SA	Tas	NT	Total
8162 Buildings	3,796	3,952	1,788	1,350	1,010	335	n/a	12,231
8163 Other construction infrastructure, including railways, roads, bridges, tunnels, airports, harbours, pipelines, dams and the like.	33,685	14,370	23,954	7,988	4,100	3,037	167	87,300
8164 Plant and equipment	971	350	1,137	389	205	170	n/a	3,222
Total infrastructure	38,452	18,672	26,879	9,727	5,315	3,542	167	102,753

Source: Australian Bureau of Statistics Catalogue No 5512 table 8 disaggregated by Australian Bureau of Statistics

grants and \$422.3 million for local roads. The funds are untied. Councils can spend them according to local priorities.

The Commonwealth Grants Commission review of the operation of the *Local Government (Financial Assistance) Act 1995* found that, since the introduction of the original Act in 1974–75, local government revenue from all sources has grown at 10.1 per cent per year. Federal Government assistance to local government has grown even faster at an annual average rate of 10.8 per cent, but State assistance has grown at the much slower rate of 6.6 per cent.

The Commission found that local government is increasingly providing human services (social welfare type services) at the expense of traditional property-based services (particularly roads). Although road expenditure remains the largest function, the Commission found its importance has declined from about half of total expenditure in the 1960s to a little more than a quarter in the 1990s. The Commission reports that community pressure to broaden the range of local government services; unfunded mandates from other spheres of government; and revenue-raising restrictions (rate pegging, fee capping and rate concessions/exemptions) have all contributed to downgrading

the importance of maintaining local road infrastructure.

Federal Roads to Recovery programme

In November 2000, the Federal Government announced a \$1.2 billion boost in its funding for local roads through the Roads to Recovery programme (see table 5.2). In May 2001, it provided an extra \$8 million for roads in unincorporated areas. The Roads to Recovery programme is for four years. It aims to provide councils with the financial capacity to repair roads that are approaching the end of their life. The grants are paid directly to councils and are additional to the annual Federal local government financial assistance grants mentioned above. Some \$850 million of the Roads to Recovery money will be spent in rural and regional Australia.

In the programme's first year councils sought funding for projects worth more than \$350 million. Of this, 44 per cent was for reconstruction, rehabilitation and widening of existing roads, 30 per cent was for re-gravelling, sealing and resealing work and 11 per cent was for bridges and drainage work.

Table 5.2: Roads to Recovery funding (\$m)

State/Territory	Roads to Recovery four year total	Additional amounts for unincorporated areas	Total
NSW	340	3.8	343.8
Vic	250	0.2	250.2
Qld	250		250.0
WA	180		180.0
SA	100	4.0	104.0
Tas	40		40.0
NT	20		20.0
ACT	20		20.0
Total	1,200	8.0	1,208.0

Source: Department of Transport and Regional Services

Victorian local government infrastructure study, 1998

In January 2000, Victoria's Government released a pioneering stocktake of its local government infrastructure undertaken in 1998, called *Facing the Renewal Challenge*. The report valued Victoria's local roads, the bridges, footpaths, drains, parks, recreational facilities and public buildings at \$23.3 billion in current replacement cost. It put long-term consumption of these assets at \$704 million per year and renewal and maintenance at \$471 million per year, leaving an annual infrastructure deficit of \$233 million per year.

Of these assets, 64 per cent were in transport (roads, bridges and footpaths). The report states, on page 10, that, of the total amount of asset renewal required in the period 1997–2002, roads account for 60 per cent. It estimates the replacement value for local roads in Victoria at \$12,806 million plus \$607 million for bridges.

The report noted that councils were unable to distinguish between capital spending designed to renew existing services, and that designed to improve existing services or extend services to a greater number of ratepayers. It notes that this distinction is fundamental to informed asset management.

A reference group has now been established comprising representatives from the local government peak bodies, VicRoads, the Department of Treasury and Finance, the Office of the Auditor-General and the Department of Infrastructure to improve asset management culture throughout local government in Victoria.

South Australian local government infrastructure study, 2001

The Local Government Metropolitan Chief Executive Officers' Association commissioned Dr Penny Burns and others to conduct an

infrastructure study in South Australia. The report, entitled *A Wealth of Opportunities*, foreshadows a looming local government infrastructure-funding shortfall in South Australia over the next 20 to 30 years.

The study found that South Australian councils have \$8 billion in assets and \$200 million in net debt. The assets are primarily in roads and footpaths (\$4.8 billion), buildings (\$1.2 billion), storm drains (\$1.1 billion) and parks (\$75 million) valued at their current replacement cost. The *average* annual cost of renewing these assets is about 2 per cent of their value or \$160 million per year.

The key finding is that South Australian councils are under-funding infrastructure maintenance by \$105 million per year. Councils currently invest \$55 million a year on asset renewal (7 per cent of council revenue), but they need to spend \$160 million a year now (19 per cent of council revenue) rising to \$240 million in 25 years to maintain existing infrastructure. The situation is more acute for rural councils: they need to quadruple their renewal spending now. Their average annual asset consumption is about \$64 million per year, but they are spending less than \$20 million per year on asset renewal.

In the media release for the launch of the completed study on 2 July 2001, the contributing organisations indicated the infrastructure deficit has arisen because of:

- community demand spurring new asset spending over asset maintenance;
- Federal/State/developer 'gifting' of assets without ongoing maintenance funds;
- asset growth in the 1950s and 60s which now needs replacement or renewal;
- inadequate funding of maintenance; and
- community pressure to keep rates low.

The study says that more funding, *by itself*, will not solve the asset management problem and could well exacerbate it. It suggests:

- improving management and maintenance practices;
- educating the community about the lifetime costs of infrastructure decisions;
- redirecting funds to renewal of assets and/or increasing council rates;
- borrowing to spread costs over the life of infrastructure;
- working with Federal/State governments on infrastructure issues;
- asset management training for staff and elected members;
- service provision with the private sector, other councils and community bodies; and
- selling, demolishing or not renewing low priority assets (p.i).

The Federal Government is providing funding to the Local Government Association of South Australia, under the Local Government Incentive Programme, to establish guidelines and a database that will help councils, the State Government and the Local Government Grants Commission facilitate local road funding decisions and improve transport and infrastructure planning. The database is being managed by the Local Roads Advisory Committee in conjunction with the South Australian Office of Local Government. The State has also provided an additional \$2.2 million for regional roads in its Regional Roads Programme commencing in 2000–01.

Tasmanian Auditor General Report, 1998

In May 1998, in the *Special Report No.26, Capitalisation and Reporting of Road Assets in Tasmania*, the State Auditor-General made an assessment of council asset reporting practices and recommended improved data collection and reporting. The report put the replacement value of Tasmanian local roads at more than \$2 billion and its bridges at a further \$85 million.

Western Australian local road infrastructure

Western Australia has not produced a local infrastructure study. However, Western Australia has unique and successful local road planning arrangements, which are reducing the gap between local road funding needs and local road expenditure. Importantly, these arrangements separately identify road preservation needs and expenditure.

Western Australia allocates 7 per cent of its Federal local government financial assistance grants to special roads projects (one-third for roads serving Aboriginal communities and two-thirds for major bridge works). The remaining 93 per cent is spent in accordance with road preservation needs determined by the State's Local Government Grant Commission's Asset Preservation Model. The model assesses the average annual cost of maintaining each local government's road network and has the facility to equalise road standards through application of minimum standards. These standards help local governments that have not been able to develop their road systems to the same standard as more affluent local governments.

In the mid-1990s the Western Australian Government, with the Western Australian Municipal Association and community groups, developed a series of regional road strategies, which defined strategic road networks and developed a master-plan called Roads 2020 for local roads throughout the State. The Western Australian Government and Western Australian Municipal Association have since signed a five-year State Road Funds to Local Government Agreement commencing in 2000–01, which provides over \$90 million per year to councils for local roads. This is a big increase on amounts provided in previous years (for example, \$58 million in 1997–98). The main features of the agreement are:

- Local government-elected representatives can participate with the State Government in determining the preservation and expansion of the local road network, together with traffic management projects from both a regional and State-wide perspective.
- One-quarter of the State's road-related revenue (for example, vehicle registration charges and fuel franchise fees) is available for local roads, with a guaranteed minimum allocation of \$90 million per year for each of the five years.
- An advisory committee with State and local government representation makes recommendations to the State Transport Minister on how these funds should be spent.
- Ten regional road groups have been established with a membership of elected local government representatives to make recommendations to the advisory committee on the annual local road programme for their region.
- Road funds are allocated on the same asset preservation model used by the Western Australian Local Government Grants Commission to distribute Federal local government financial assistance grants for local roads.
- Virtually all (134 of the 142) Western Australian councils use the same 'ROMAN' database to support the road needs analysis.
- Each year, councils provide statistical data to the Western Australian Municipal Association for publication in their *Local Government Road Assets and Expenditure Report*, which the Association describes as a comprehensive assessment of the state of the local road network, current expenditure patterns and road funding needs and deficiencies.

The *1999–2000 Assets and Expenditure Report* states that Western Australian local roads had a replacement value of \$10.4 billion at 30 June 2000 and a written down value of \$6.87 billion (66 per cent of replacement value). The

percentage for a well managed road network would be about 75 per cent.

Local government expenditure on roads was \$323.6 million in 1999–2000 (an all-time high). Road preservation cost \$223.9 million and \$99.7 million (30.8 per cent) was spent on new roads and extensions to existing roads.

Western Australian councils are narrowing the gap between road preservation needs and road spending at a rate of about 10 per cent per year. Councils should be spending \$283.7 million per year on road preservation, but are spending \$223.9 million, leaving a 1999–2000 deficit of \$59.8 million. This is a reduction compared to the \$74.7 million deficit in 1997–98 and the \$66.7 million deficit in 1998–99.

The provision of an extra \$45 million per year under the Roads to Recovery programme (see table 5.2) plus an extra \$32 million in State funding since 1997–98 (see table 5.5) would erase the \$59.8 million per year deficit.

The Institution of Engineers *Australia Report Card* recommended all States consider the Western Australian model. Queensland has already done so (see box). Some Western Australian councils are now going one step further and are piloting regional transport planning arrangements (see box).

Road funding responsibilities of each sphere of government

Australia has about 810,000 kilometres of public roads: about 326,000 kilometres are sealed and 484,000 kilometres are unsealed (unformed, formed or gravel); and almost 640,000 kilometres (80 per cent) are local roads (see table 5.3).

Under the 1991 Premiers' Conference Agreement, the Federal Government funds National Highways; State Governments fund arterial roads; and local governments fund local roads. Together they spend about \$7 billion per year on Australian roads (see table 5.4).

Memorandum of Understanding on Queensland Local Roads

Following a visit to Western Australia, representatives of the Local Government Association of Queensland and the Queensland Department of Main Roads have signed a memorandum of understanding to investigate a Road Management and Investment Alliance.

Some of the outcomes sought under the proposed alliance, include:

- improving coordination and planning of road projects;
- increasing efficiency in delivery of road projects;
- sharing of equipment, technical expertise and purchase of supplies;
- maintaining employment levels within regional Queensland; and
- maximising the economic development of regional Queensland.

Western Australian regional road planning extended to total transport planning

Through its Local Government Incentive Programme, the Federal Government is funding a pilot programme with the Australian Local Government Association and the Western Australian Municipal Association which aims to expand local governments' role in regional transport infrastructure planning and coordination, using the existing coordination mechanism of the Regional Road Group.

The new role of the Regional Road Group will include a formal link to the broader transport planning and coordination role undertaken by other government agencies, in particular Main Roads Western Australia, the State Department of Transport and the relevant Regional Development Commission.

Table 5.3: Local road length by State in 2000–01 (km and %)

State	Road length (km)	Road length (%)
NSW	142,460	22.29
Vic	127,727	19.99
Qld	144,469	22.60
WA	121,565	19.02
SA	74,334	11.63
Tas	14,079	2.20
NT	12,562	1.97
ACT	1,848	0.29
Total	639,044	100.00

Source: State and Territory local government grants commissions and the Australian Capital Territory Department of Urban Services

Table 5.4: Funding of roads by sphere of government, 1997–98 (\$m)

	\$ million	% of total
Commonwealth	1,636	23
State	3,379	48
Local	2,000	29
Total	7,014	100

Source: *Rural Roads: The Economic Perspective*, Mark Harvey, March 2000, Bureau of Transport Economics p.2

In practice, councils' limited revenue-raising capacity sees both Federal and State Governments contributing to local road funding. The Bureau of Transport Economics study *Spending on Local Roads* shows that in 1997–98, local government spent \$2,713 million on local roads (see table 5.5). The study shows that \$1,930 million was from their own funds, \$365 million was provided by the Federal Government, \$293 million by State Governments and \$125 million was provided by the private sector (mainly new estate developer contributions). It also shows that some State Governments have lifted their road funding contributions to local government since 1997–98, particularly Western Australia, Queensland and South Australia while in 1999–2000, Queensland lifted its contribution to about \$56 million.

Not all this spending is on asset preservation. Some is spending on new roads. In Western Australia, for instance, 31 per cent of local road

funding is on new roads and extensions to existing roads and 69 per cent is spent on asset preservation. In Victoria in 1999–2000, \$360.6 million was spent by local government on local roads, with \$114.7 million (32 per cent) of that spent on new and upgraded roads and almost \$246 million (68 per cent) spent on maintaining them (Australian Bureau of Statistics Catalogue No 5501.2).

Local government agrees on a rural road strategy

The Rural Roads Congress, held at Moree in March 2000 to consider rural road funding and planning issues, appointed a steering committee. The committee released the *Moree Rural Road Funding Report* at the 2nd National Rural Roads Congress in Mildura, Victoria in 2001. It recommended ways for the three spheres of

Table 5.5: Local road funding by sphere of government, 1997–98 (\$m)

	NSW	Vic	Qld	WA	SA	Tas	Total	Total %
Council*	503	353	580	296	131	67	1,930	71
Federal	112	80	72	60	20	21	365	13
State	181	14	40	58	0	0	293	11
Private sector	36	40	38	11	n/a	n/a	125	5
Total	832	486	730	425	151	88	2,713	100.0

* Funding from all sources of council funds including rates and untied grants from other spheres of Government.

Source: Bureau of Transport Economics 2001 *Spending on Local Roads* Working Paper 44, p.13, tables 2.3 and 2.4.

government to work together to address aging road infrastructure in rural and remote areas. At Mildura, local government representatives welcomed the report and agreed to build a case for adequate long-term ongoing funding for maintenance of these roads.

The five priorities endorsed by the congress were:

- to obtain standardised solid data on the benefits and cost of local road expenditure by councils;
- to demonstrate the effective use of investment in local roads infrastructure;
- to undertake a detailed analysis of future transport infrastructure requirements and how it can be funded, on a national basis;
- increased cooperation between local and State governments and industry bodies at the regional level; and
- demonstrated performance by benchmarking against best practice.

To pursue these priorities, the congress established a strategic committee that included a Federal Government representative. The congress also asked the Australian Local Government Association to seek a Federal commitment to a comprehensive review of the Roads to Recovery programme during the next four years. The Federal Government has agreed to review the programme in conjunction with the Australian Local Government Association before the programme finishes in 2005. The Federal Government has also agreed that the Bureau of Transport Economics will examine how much State and Territory governments spend on local roads to complement its research into local government expenditure on local roads.

Technical tools to help councils fund and manage their local road system

Councils have at their disposal a number of technical tools to help them fund and manage their local road system. These tools include the Australian Road Research Board's local roads manuals and the Institute of Public Works Engineering Australia's *Infrastructure Management Manual*. As well, the Local Government Ministers' Conference is funding a manual on local government infrastructure financing.

Australian Road Research Board local roads manuals

The Australian Road Research Board has released two manuals to help councils optimise their local road maintenance practices. The *Unsealed Roads Manual* was released in 1993 and the *Sealed Local Roads Manual* was released in 1995. With Federal funding, the Board released the revised *Unsealed Roads Manual* in August 2000. The manual introduces new techniques to maintain local roads so they can cope with more traffic, heavier loads and heightened community expectations about road smoothness. The manual states that Australia spends about \$1,000 million per year constructing and maintaining unsealed local roads. It suggests that adopting best practice can yield major savings in constructing and maintaining these roads.

International Infrastructure Management Manual

The Institute of Public Works Engineering Australia has prepared an *Infrastructure Management Manual* that explains life cycle asset management, introduces a variety of techniques to improve asset management, provides best practice examples and explains the regulatory requirements for asset management in Australia. Copies are available from the Institute.

Infrastructure Financing Manual

The Local Government Ministers' Conference Activities Fund is funding preparation of a manual on local government infrastructure financing. The manual will facilitate:

- identification and classification of different types of local government infrastructure;
- identification of barriers to local government infrastructure financing particularly for rural and remote councils;
- identification of financing options available to local government to fund their infrastructure requirements;
- determination of local government information requirements to assess the different financing mechanisms and to implement a chosen mechanism; and
- identification of relevant case studies of infrastructure financing by local government and other relevant public sector organisations.

The manual will be made available to every local government in Australia.

Local government innovations that save money on road maintenance

A number of councils have found innovative solutions to save money on road maintenance. They include the Brimbank City Council, the Cardinia Shire Council, the Richmond Valley Council and the Bellingen Shire Council.

Brimbank City Council extends road life

Brimbank City Council in Victoria has found a way to extend the life of roads by between six and 10 years. It does so by spraying a thin layer of bitumen onto a prepared road surface and covering it with a layer of small stones that become embedded in the surface by traffic over a period of one to two weeks. The council has won

an International Excellence Award for the new road maintenance system. For more information contact Len Conway on (03) 9249 4248.

Cardinia Shire Council replaces gravel roads with cheap temporary seal

Cardinia Shire Council on Melbourne's urban fringe has over 1,000 kilometres of unsealed local roads. The council is using a low-cost temporary pavement or 'black re-sheet' to seal local roads and reduce costly gravel road grading and dust suppression. The council indicates that the seal, made with in situ material and with binders, lasts for seven to eight years under medium traffic volumes. For more details, contact Michael Ellis, General Manager, Asset Services, Cardinia Shire Council, on (03) 5945 4222.

Richmond Valley Council's Doolan Deck modular bridging system

Richmond Valley Shire Council manufactures a modular concrete deck bridge construction system, which cuts material and labour costs. The system, which was originally developed as a maintenance strategy for timber bridges, won the 1996 National Awards for Innovation in Local Government engineering award.

Richmond Valley Council believes the Doolan Deck's durable semi-rigid connection system for prefabricated units would suit many councils that need to replace numbers of small bridges. They offer design and construction consultancy services based on their direct experience as well as training of client council staff. For more details, contact the council's principal engineer, Bill McMahon on (02) 6660 0300.

Bellingen Shire Council's bridge deck gantry

Winner of the 1999 national rural Award in the National Awards for Innovation in Local Government, this gantry can help lift into place

bridge deck units that weigh up to 28 tonnes with spans of up to 12 metres, widths of up to 3.6 metres and skew angles of up to 20 degrees. It is ideal for bridgework in constricted, environmentally sensitive sites and is compatible with modular deck construction. For more details contact Warwick Knight, Project Manager, on (02) 6655 7300.

Other infrastructure issues

Local roads are not the only infrastructure for which councils are responsible, although this is a responsibility for which they have significant legal liability (see the report on a recent High Court decision below). Stormwater and waste management, as well as water supply and salinity, are major issues for many councils and this section discusses some of the implications for councils of deteriorating distribution systems and the impact of environmental factors.

High Court decision on non-feasance

On 31 May 2001, the High Court delivered judgement in two cases on appeal from the Supreme Court of New South Wales: *Brodie v. Singleton Shire Council* [2001] HCA 29 and *Ghantous v. Hawkesbury City Council* (2001) 180 ALR 145. The cases were heard together as they were about the liability of Australian road authorities for negligence in accidents allegedly arising from road (Brodie) and footpath (Ghantous) surfaces under their control. Both cases considered the 'highway rule' that protected road authorities from liability in negligence cases where it has simply allowed roads and footpaths to deteriorate (non-feasance). Gleeson CJ explained that:

The essence of the rule is that a highway authority may owe to an individual road user a duty of care, breach of which will give rise to liability in damages, when it exercises its powers, but it cannot be made so liable in respect of mere failure to act. (para 14)

In Brodie, a 22-tonne truck, delivering concrete to a construction site, crossed a 50-year-old bridge. The truck was damaged and its driver injured when the bridge partially collapsed. The council had done work on the bridge's planks, but not on the decaying wooden girders. The Court of Appeal found the cause of the accident was the wooden girders collapsing and the council was protected by the doctrine of non-feasance. On appeal, the majority of the High Court abolished the defence of non-feasance. Councils have since expressed concern they will face increased litigation and insurance costs. The Australian Transport Council is to consider the issue. The Institute of Public Works and Engineering Australia estimates that there are about 20,000 timber bridges in Australia.

Local governments' water, sewerage and waste management infrastructure

Local government is responsible for water supply in Queensland, Tasmania and regional New South Wales. Elsewhere this is a responsibility of the State or of regional utilities. Local governments are responsible for management of solid waste in every State.

Value of environmental assets

According to the Institution of Engineers' *Australia Report Card*, 98 per cent of Australia's population is provided with reticulated water and the quality and reliability of supply is high. The Report Card puts the total value of potable water assets in Australia at \$36 billion. The value of assets in States where local government provides or contributes to water supply is put at \$5.1 billion in Queensland, \$14 billion in New South Wales and the Australian Capital Territory and \$550 million in Tasmania. The written down value of water assets as a percentage of their replacement value in Queensland is 89 per cent, in New South Wales and the Australian Capital Territory it is 69 per cent but in Tasmania it is 46 per cent.

The Report Card also shows the estimated replacement value of Australia's waste-water assets is \$37.6 billion, with \$5.1 billion of this in Queensland, \$1.2 billion in Tasmania and \$15.5 billion in New South Wales and the Australian Capital Territory. The written down value of waste-water assets as a percentage of their replacement value in Queensland is 89 per cent, in New South Wales and the Australian Capital Territory it is 70 per cent and Tasmanian figures are not available. These written down values are not comprehensive as data was not available for major non-urban utilities.

According to the Report Card, less than 10 per cent of waste-water generated in Australia's cities and towns is being reused. Some leaders in the field of waste-water recycling include the City of Playford and the City of Onkaparinga in South Australia; Latrobe Council and Brighton Council in Tasmania; the City of Hervey Bay and the City of Redcliffe in Queensland and Coffs Harbour City Council and Albury City Council in New South Wales. Albury City Council's state-of-the-art \$30 million wastewater recycling scheme was the overall winner at the annual Institute of Public Works Engineering Australia – New South Wales Division Awards.

Local Government Focus reported, in its October 2001 edition, that public-private partnerships are being established in solid waste management. For example, Port Stephens Council's waste composting plant is successfully treating 100 tonnes per day of solid waste, sewage sludge and other organic material, enabling the council to close its four land-fills. Other plants are being established in Western Australia by the Southern Metropolitan Regional Council and in Queensland by the Cairns City Council, Douglas and Mareeba Shires.

Environmental revenue and expenditure

The Australian Bureau of Statistics has released data on the revenue and expenditure of local governments' water and waste management infrastructure. The data shows that in 1999–2000, Australian local governments received nearly \$2.3 billion for environment protection activities and about \$1.3 billion for natural resource management. They spent \$1.9 billion in current expenses and \$607 million in capital expenditure on environment protection (mainly solid waste and waste water management). They spent a further \$1.4 billion in current expenses and \$453 million in capital expenditure on natural resource management activities (mainly water supply and land management).

Rates provided 86 per cent of the revenue for environmental protection and 80 per cent of the revenue for natural resource management. Government subsidies and grants for these activities contributed under 6 per cent of the revenue (\$128 million for environment protection and \$75 million for natural resource management). (Australian Bureau of Statistics Catalogue No 4611.0)

The Institution of Engineers' Report Card indicates that, of the Australian population, 2 per cent do not have access to reticulated water. In 1994, the Human Rights and Equal Opportunities Commission found in its inquiry *Time Running Out* that 154,000 Australians living in 1,200 communities did not have a reticulated water supply. The lack of an adequate water supply also constrains regional development. *Time Running Out* reports that Coominya, a township west of Brisbane, where there is no piped or treated water supply, was unable to expand the local abattoir because it could not guarantee a water supply. An example of one remote township which is working towards maintaining an acceptable supply of fresh water is Tibooburra (see box).

Reliable fresh water supply for Tibooburra

The Federal Government is providing a \$100,000 Local Government Incentive Programme grant to the Tibooburra Village Committee Incorporated to help it provide a reliable supply of treated water for the remote township of Tibooburra in New South Wales.

The project will increase storage capacity to drought proof the existing amount of storage and deliver and maintain a water quality that will meet the 1996 Australian Drinking Water Guidelines.

Salinity

Salinity has three major impacts on local government. Firstly, it damages local government infrastructure. Secondly, it diminishes local government's rate base through reductions in property values. Thirdly, local governments in affected areas need to contribute to catchment/regional plans to minimise the effects of salinity.

The impacts of salinity on infrastructure include damage to buildings, roads, underground pipes and cables, gardens and sports fields, failure of septic tanks and salination of local water supplies.

Victoria's *Infrastructure Planning Council Interim Report* estimated that, in Victoria, some 140,000 hectares of irrigated land and 120,000 hectares of dryland are currently affected by salinity. It puts the direct cost of salinity at \$50 million a year rising to \$155 million a year by 2050.

The National Land and Water Resources Audit showed that 5.7 million hectares of land were at risk from salinity and it predicted that could triple to 17.1 million hectares within 50 years. The President of the Australian Local Government Association states in *Local*

Government Focus (8 August 2001) that 20,000 kilometres of roads are at risk from salinity.

Policy responses to salinity

In 1994, the Council of Australian Governments agreed to reforms to achieve efficient and sustainable water use by 2005. These include:

- provisions for water entitlements;
- water pricing and ecologically sustainable water trading;
- allocation of water for the environment;
- protection of groundwater;
- institutional reform;
- public consultation; and
- education and research.

Under National Competition Policy, all governments must ensure that water prices reflect the cost of providing water. They must also review water pricing methods to see if it is cost effective to introduce two-part tariffs. This involves introducing a fixed service charge and a variable charge based on water use, thereby encouraging water conservation.

The Commonwealth, State and Territory Governments recently agreed to a seven-year National Action Plan on Salinity and Water Quality. It involves \$700 million funding from the Federal Government, which is to be matched by the States and Territories. The agreement provides for catchment/regional bodies in 21 priority regions to develop an integrated catchment/regional natural resource management plan. The plan will aim to prevent, stabilise and reverse trends in dryland salinity, affecting sustainability of production, biological diversity, infrastructure, water quality, and security of allocations for human uses, industry and the environment.

Finally, the Federal Government has provided about \$1 billion under the Natural Heritage Trust for improvement and management of Australia's

biodiversity, land, water and marine resources. The Federal Government recently announced a further \$1 billion to extend the Natural Heritage Trust for a further five years, commencing in 2002–03.

The way forward

This chapter has identified some of the key issues affecting local governments' management of its economic infrastructure. Following the intervention of the Roads to Recovery programme, local government is currently spending about \$3 billion per year on local roads. Some States and some councils are meeting their road maintenance needs through increased State contributions, by giving higher priority to asset preservation and by rapid adoption of new technologies. The approach taken in Western Australia is one example of a way forward. The strategy agreed at the Mildura Rural Roads Congress is consistent with the Western Australian approach. There are many other potential solutions. The 1999–2000 National

Report highlighted better policing of overloading on local roads, letting of more long-term local road maintenance contracts, and lifting borrowing and revenue as additional options (pp.71–72).

The data currently available suggest that environmental protection and natural resource management are major activities for local government. The written down value of water and waste-water assets in Queensland and New South Wales suggests these assets are broadly sustainable. However, the data does not enable any conclusions to be drawn about the adequacy of assets in smaller regional communities. The Australian Local Government Association plans to extend data collection on state local government infrastructure beyond Victoria and South Australia to all States. That data will help make analysis of environmental and natural resource management assets more comprehensive and reliable.

CHAPTER 6

SERVICES TO INDIGENOUS
COMMUNITIES

Each year, the National Report must include an assessment, based on comparable national data, of the performance by local governing bodies of their functions, including the services they provide to Aboriginal and Torres Strait Islander communities. The inclusion of this requirement in the Act followed:

- the 1992 Council of Australian Governments' National Commitment to improving services to Indigenous communities;
- the review in 1994 of the *Local Government (Financial Assistance) Act 1986*; and
- the passing of a resolution at the Local Government Ministers' Council in April 1995 to increase the level of local government services to Indigenous communities which was to be developed within the framework of the 1992 National Commitment.

At the April 1995 Local Government Ministers' Council, Ministers also agreed to report annually on progress in improving services.

Indigenous people in context

At the 1996 Census, Indigenous Australians numbered some 386,000 people or just over 2 per cent of Australia's population. Table 6.1 shows the number of Indigenous people at that

time by State, their share of each State's population and their share of the Indigenous population nationally. It shows that their share of State populations varied considerably – from 0.5 per cent for Victoria to 28.5 per cent for the Northern Territory. Also, just under 85 per cent of the Indigenous population resides in just four States – New South Wales (28.5 per cent), Queensland (27.2 per cent), Western Australia (14.6 per cent) and the Northern Territory (13.4 per cent).

In recent years, the Australian Bureau of Statistics has reported that there has been an increased likelihood of people identifying as being of Aboriginal or Torres Strait Islander origin in the Census and surveys. Provided there is no change in the propensity of the Australian population to identify as being of Indigenous origin, Australian Bureau of Statistics projected the Indigenous population would be some 427,000 people at 30 June 2001 and 469,000 by 30 June 2006 (*Australia Now*, p.1).

Across councils within a State, there is also considerable variation in the distribution of Indigenous people. Using data provided by the New South Wales Grants Commission as an example, Indigenous people comprise from 0.7 per cent for Mosman Council to 54 per cent

Table 6.1: Estimates of the Indigenous population by State, as at 30 June 1996

State	Indigenous population '000	Total population '000	Proportion of total State population %	Proportion of Indigenous population %
NSW	109.9	6,204.7	1.8%	28.5%
Vic	22.6	4,560.2	0.5%	5.9%
Qld	104.8	3,338.7	3.1%	27.2%
WA	56.2	1,765.3	3.2%	14.6%
SA	22.1	1,474.3	1.5%	5.7%
Tas	15.3	474.4	3.2%	4.0%
NT	51.9	181.8	28.5%	13.4%
ACT	3.1	308.3	1.0%	0.8%
Total¹	386.0	18,310.7	2.1%	100.0%

Notes: 1 Includes Jervis Bay Territory, Christmas Island and Cocos Islands.

Source: Australian Bureau of Statistics 1999, *Aboriginal and Torres Strait Islander Australians: A Statistical profile from the 1996 Census*, 1999 Year Book.

for Brewarrina Shire Council. While Indigenous people comprise less than 2 per cent of the New South Wales population, 6 per cent of councils in New South Wales have more than 10 per cent of Indigenous people in their population. These councils are in rural and remote areas of the State.

The proportion of a council's population that is comprised of Indigenous people should have a direct impact for the council on their provision of services to Indigenous people.

Table 6.2 shows that most Indigenous people live in urban areas. But the Indigenous population is less urbanised than the total population. Specifically, in 1996 around 72.3 per cent of the Indigenous population lived in urban areas (defined as a population centre of 1,000 or more people) compared to 85.9 per cent for the total population. A further 10.8 per cent of Indigenous people lived in rural localities (population centres of between 200 and 999 people) and the remaining 16.6 per cent in other rural areas (the remaining rural areas including people living on properties).

The distribution of Indigenous people between urban and non-urban areas varies considerably by State. In the Northern Territory for instance, only around 40 per cent of Indigenous people reside in urban areas whereas in New South Wales, Victoria and Australian Capital Territory more than 80 per cent of Indigenous people live in urban areas.

There is high mortality amongst Indigenous Australians compared to the total population. Using data covering 1997 to 1999, the life expectancy at birth for Indigenous males was 55.6 years compared with 76.2 years for all males. For Indigenous females, life expectancy was 63.0 years compared to 81.8 years for all females (*Australia Now*, p.2). In 1998, the infant mortality rate for Indigenous Australians was 14.1 deaths per 1,000 live births compared to 5.7 deaths for the total population.

Further details on the circumstances of Indigenous people can be found in a recently released report of the Commonwealth Grants Commission (see box).

Table 6.2: Distribution of Indigenous people by geographical area and State, 1996

	Major urban %	Other urban %	Rural locality %	Other rural %	Total %	Indigenous population (‘000)
NSW	40.0	44.3	5.5	10.2	100.0	109.9
Vic	47.0	39.6	2.2	11.2	100.0	22.6
Qld	27.8	47.2	11.4	13.6	100.0	104.8
WA	29.4	37.7	12.6	20.2	100.0	56.2
SA	44.3	31.9	3.9	19.9	100.0	22.1
Tas	20.5	48.7	8.1	22.6	100.0	15.3
NT	n/a	39.6	27.5	32.8	100.0	51.9
ACT	98.9	n/a	0.1	1.0	100.0	3.1
Total¹	30.3	42.3	10.8	16.6	100.0	386.0

Notes: 1 Includes Jervis Bay

Australian Bureau of Statistics definitions:

Major urban urban centres with a population of 100,000 and over

Other urban urban centre with population between 1,000 and 99,999

Rural locality population clusters of 200 to 999

Other rural the rural remainder including people living on separate properties

Source: Australian Bureau of Statistics 1998, *Population – Population Growth: Growth and distribution of Indigenous people* Australian Social Trends

Commonwealth Grants Commission's Indigenous Funding Inquiry

The Commonwealth Grants Commission was asked to develop methods of calculating the relative needs of Indigenous Australians in different regions for health, housing, infrastructure, education, training and employment services. In their final report, provided to the Federal Government in March 2001, they reported on the circumstances of Indigenous Australians.

The Commission found that:

- the social, economic and cultural circumstances of Indigenous Australians differ greatly between urban, rural and remote locations, and between and within Aboriginal and Torres Strait Islander Commissioner regions;
- these differences have an impact on need and service provision;
- the services provided to Indigenous people, how they are provided and the costs of providing them, differ with location because of the way services are provided, differences in need and differences in costs; and
- in all regions, and across all functional areas examined, Indigenous people experience entrenched levels of disadvantage compared to non-Indigenous people.

Commonwealth Grants Commission 2001, *Report on Indigenous Funding, 2001*, Canberra, p.xv.

Health and wellbeing are influenced by many factors including access to clean water, sewerage, waste disposal, roads and transport. It can also be influenced by having a sense self worth, a sense of hope or of hopelessness; with these linked to education, employment, recognition and participation in processes of governance and in service delivery.

Governments in Australia, including local government, have a critical role to play in improving the health and wellbeing of Indigenous people. In many locations, this means far greater effort and collaboration to improve Indigenous access to mainstream services and, in some instances, aligning the appropriateness of such services with Indigenous requirements.

Legislative context

The Federal Parliament's objectives, in providing the financial assistance grants to councils, are set out in section 3 of the *Local Government (Financial Assistance) Act 1995*. These Commonwealth objectives were inserted into the Act following a review in 1994 and came into effect for the grants allocated in 1996–97. There are five purposes. The fifth purpose is that the Commonwealth provides financial assistance to councils to improve the provision, by councils, of services to Indigenous communities.

In support of this purpose, the Act requires that this annual report to Parliament – the National Report – includes an assessment of the performance by local governing bodies of their functions including services provided by them to Aboriginal and Torres Strait Islander communities.

In addition, the Act requires National Principles to be established to guide State Grants Commissions in the way they allocate financial assistance grants to councils. The National Principles were developed by the Commonwealth and agreed by the States and the Australian Local

Government Association. One of the National Principles requires State Grants Commissions to allocate general purpose grants to councils in a way that recognises the needs of Aboriginal and Torres Strait Islander peoples within their boundaries. The full list of National Principles is at Appendix A.

National reporting – progress across the nation

To date, no performance measures have been developed to assess performance of councils in providing services to Indigenous people. However, all States, the Commonwealth and the Australian Local Government Association have been providing progress reports on local government service provision to Indigenous communities since 1996. This was as a result of a resolution passed by the Local Government Ministers' Council in April 1995. The States' reports have been published each year in an appendix of the National Report.

The State progress reports on local government service provision to Indigenous communities for 2000–01 are provided at Appendix I. These reports identify a range of priorities, strategies and actions, and a mosaic of differing approaches.

When the State reports are examined, it is evident that there are different priorities across the jurisdictions and varied progress. In some jurisdictions there is considerable energy and commitment with a range of positive developments, including:

- establishment of advisory committees on Aboriginal and Torres Strait Islander matters to advise State or Territory Minister for Local Government (Western Australia);
- establishment of Intergovernmental Local Government–Aboriginal Network by the Minister for Local Government and Minister for Aboriginal Affairs to foster a collaborative approach to improved local government

outcomes for Indigenous people and to share information (South Australia);

- development of State-wide action plans (*Local Councils Belong to Aboriginal People Too*, 1994, and *Local Councils Belong to Aboriginal People 2 – A New Strategy*, August 2000 (South Australia));
- local government partnership agreements to promote links between local government and Aboriginal community representatives (Tasmania);
- establishment of Indigenous community advisory committees at council level, (in New South Wales for example, there were 63 councils in 2000–01 with advisory consultative committees – an increase of six on the previous year);
- employment of Indigenous policy officers in some councils (for example, eight councils in South Australia have them);
- provision of better public health infrastructure for Indigenous communities (for example, water, sewerage and transport infrastructure in the Aboriginal and Torres Strait Islander Community Councils in Queensland);
- strategies to increase Aboriginal and Torres Strait Islander participation in local government (for example, New South Wales has a mentoring programme);
- funding by the Commonwealth of specific projects by individual councils as demonstrations of best practice in the delivery of services or advancing issues of concern; and
- legislative requirements to develop social and community plans by all councils for all people but with a focus on particular target groups, including Aboriginal and Torres Strait Islander peoples (New South Wales).

However, some jurisdictions report little or no achievements, and others report only financial expenditure, with no reporting of discernible or related outcomes. Nevertheless, there are

outstanding individual success stories at local government level, particularly in terms of reconciliation. An example of this is the Nillumbik Shire Council in Victoria. This council maintains its momentum and commitment to meaningful and productive partnership with its Indigenous people (see box).

Nillumbik Shire Council, Victoria

In 1998, Nillumbik Shire Council committed to an ongoing reconciliation process with traditional landowners, the Wurundjeri people. Since then, Nillumbik Council has initiated a series of reconciliation events, community projects and other public initiatives including art exhibitions, resource trails, educational lectures and reconciliation forums. These have successfully raised the profile of the reconciliation process, increasing awareness of the Wurundjeri people as traditional owners and custodians of the Shire's lands and developing the community's understanding of and commitment to the key issues of reconciliation.

Council supported the establishment and development of the Nillumbik Reconciliation Group. In the past two years the Group has ensured that reconciliation issues have not only remained on the local agenda, but have become integral to the value systems of local communities.

Initiatives of Nillumbuk Shire Council include:

- councillors read formal civic acknowledgment statements before all public events;
- council's major events and festivals incorporate a strong Indigenous component;

- council's approach to environmental issues has integrated elements of the traditional owner's view of the world;
- archaeological surveys have documented sites of significance throughout the shire and these sites are progressively being afforded protection under council's planning processes;
- catchments and native parks have been renamed using the Woi-wurung language; and
- a seasons calendar has been produced that more accurately reflects local weather changes, animal and bird migrations and the flowering of native plants.

A Treaty process has commenced and has committed the council to investigating the feasibility of formalising an agreement with local Indigenous people.

Evaluation

The delivery of services to Indigenous communities has recently been the subject of two Federal Government reviews or inquiries. They were the inquiry into distribution of funding for programmes affecting Indigenous people and the Commonwealth Grants Commission Review of the *Local Government Financial Assistance Grants Act (1995)*.

Inquiry into distribution of funding for programmes affecting Indigenous people

The Commonwealth Grants Commission presented the final of its three-volume *Report on Indigenous Funding, 2001* to the Federal Government in March 2001. It is an in-depth inquiry into the current distribution of funding for programmes affecting Aboriginal and Torres Strait Islander peoples. The inquiry was also expected to develop measures of relative disadvantage. The Commission found that,

in certain Indigenous population groups, entrenched levels of disadvantage compared to non-Indigenous people was deeply ingrained in systems which perpetuate inequities.

Amongst the many issues raised, the Commission discusses some of the complexities of the relationship between needs assessment, data collection and interpretation, and resource allocation. The Inquiry found that 'there is no obvious and simple proportional relationship between measures of needs and the funds required to achieve outcomes' (p.52). And further, that 'the extent to which needs are met, or outcomes achieved depends on the outputs of several programmes and the social and economic circumstances in which the services are provided. Allocation processes must take account of these interactions.' (p.52)

Commission recommendations include 'the full and effective participation of Indigenous people in decisions affecting funding distribution and service delivery' (p.xviii). Likewise, the involvement of 'all relevant spheres of government with a cross functional perspective' (p.xix) is presented as an essential feature of effective partnerships between service providers, service funders and Indigenous people.

There are issues here for local government to consider both in the way they interact with Indigenous communities and in the delivery of their services to Indigenous people. The reconciliation action plans being developed for local government ministers in response to the Council of Australian Governments directive (see 'Local Government Ministers' Reconciliation Action Plans' below) provides one possible framework for addressing some of these issues.

Commonwealth Grants Commission Review of Local Government Financial Assistance Grants Act (1995)

In the review of the *Local Government (Financial Assistance) Act 1995*, the Commonwealth Grants Commission was asked to examine and report on the effectiveness of the current arrangements under the Act to achieve the purposes of the Act and the goals in providing the grants. In relation to the fifth purpose – improving the provision by local governing bodies of services to Indigenous communities – the Commission found that the Aboriginal and Torres Strait Islander peoples' purpose is not being achieved. The Commission argued that this is not a relevant purpose for an Act that provides for distribution of untied assistance and proposed that this purpose be removed (p.28).

The Commission was also asked to examine the appropriateness of the current National Principles. In relation to the Aboriginal and Torres Strait Islander peoples National Principle for general purpose grants, the Commission found that local government grants commissions have not consistently addressed this principle. The Commission proposed that this principle be retained and strengthened to make explicit that the needs of Indigenous people must be recognised in assessments for general purpose grants (p.27).

In relation to the requirement in the Act for the National Report to include an assessment of the performance of councils in providing services to Indigenous people, the Commission recommended that this requirement be retained and that the National Report go further. They recommended that the National Report inform the Commonwealth on whether Grants Commission's assessments are recognising the needs of Indigenous people and whether councils are providing services which address these needs. The Commission called on the Commonwealth, together with the States and Indigenous

organisations, to work 'to develop the performance measures necessary for this assessment, apply them and publish the results in the National Report' (p.27).

Commonwealth expenditure and progress

The Federal Government provides both tied and untied funding to help communities better deliver services to Indigenous populations. They include financial assistance grants, the Local Government Incentive Programme, and Local Government Ministers' Reconciliation Action Plans.

Financial assistance grants

In 2000–01, 102 Indigenous councils were receiving financial assistance grants. Some of these councils, such as Aurukun and Mornington Shires in Queensland and Ngaanyatjarraku in Western Australia, are established under mainstream local government legislation of the State. Others, such as the Deed of Grant in Trust councils in Queensland and the Community Government Councils in the Northern Territory, are established under separate State legislation. The final group is those bodies 'declared' to be local governing bodies by the Federal Minister, on advice from the State Minister, so they can receive financial assistance grants. Table 6.3 shows the distribution of Indigenous councils by State and by the way in which they have become eligible for financial assistance grants.

In 2000–01, the Commonwealth provided these Indigenous community councils with around \$18.77 million in financial assistance grants. Of this, \$12.02 million was in general purpose grants and \$6.75 million in local roads grants.

In most States, the methodology Grants Commissions used to determine the distribution of financial assistance grants to Indigenous councils is the same as that applied to the

Table 6.3: Distribution of Indigenous councils by eligibility type and by State, June 2001

State	Established under State local government legislation	Established under separate State legislation	Declared local governing bodies	Total Indigenous councils
NSW	0	0	0	0
Vic	0	0	0	0
Qld	2	32	0	34
WA	1	0	0	1
SA	0	0	5	5
Tas	0	0	0	0
NT	0	33	29	62
Total	3	65	34	102

Source: Department of Transport and Regional Services unpublished data

distribution of grants to other State and Territory councils, with disability factors applied to facilitate equitable grant outcomes (see chapter 3).

Local Government Incentive Programme

Whilst a complete list of 2000–01 Local Government Incentive Programme projects appears in Appendix J, the Commonwealth provided \$284,000 to three projects assisting Indigenous communities in the Northern Territory. These funds were provided to:

- Galiwinku Community Government Council to develop and implement a road management system for the Miwatj Region;
- Pirlangimpi Community Government Council to progress recommendations for the Strategic Information Plan for an integrated Tiwi Assembly; and
- Ntaria Council for a suite of tourism enterprises in the region of the western MacDonnells.

More details of these projects are in the box below.

In addition to these projects, the Commonwealth is funding a joint initiative of the Local Government Association of South Australia and the South Australian Office of Local Government. This project will develop culturally appropriate material to support councils and to foster interest in nominating for council amongst the Aboriginal population within their local government area.

The project is being progressed under the State–Local Government Partnerships Programme. It seeks to respond to the continuing lack of awareness of voting rights, the low level of nominations as candidates for local government elections and the apparent still low levels of voter turnout by Aboriginal people in local government elections. The project also seeks to increase the awareness of Aboriginal and Torres Strait Islander organisations and people about local government itself.

Miwatj region road management system for councils

The Galiwinku Community Government Council is coordinating a project to develop a road asset management system for six local government authorities in the East Arnhem Region of the Northern Territory. The total road length managed by these six authorities is 1560 km. This comprises 30.58 km of internal sealed roads and 1,529 km unsealed roads servicing homelands, airstrips and barge landings. The maintenance of this road network is funded through the local roads grants.

As part of this Local Government Incentive Programme project, a road audit of all internal sealed roads, including storm water drainage systems and road hardware, will be prepared. In consultation with each council an individual asset management plan will be developed that will fit within a regional asset management system. Each council will be provided with the software and training to continue to update its database and also the skills to use the management system as a tool to plan and schedule works both practically, as well as financially.

Strategic Information Plan for an Integrated Tiwi Assembly

The Tiwi people are one cultural and language group residing on Bathurst and Melville Islands north of Darwin.

This Local Government Incentive Programme project will improve the structure for financial and information management across all communities on the Tiwi Islands to support the new Tiwi Assembly. The project will:

- confirm financial management system requirements, acquire and implement a system, transfer data and provide standardised office automation and desktop products;
- define information management requirements and develop procedures;
- establish information technology policies and standards and user support;
- investigate communications alternatives, optimise the network, rationalise Local Area Network requirements and connect workstations and rationalise hardware and systems support contracts; and
- provide training in all areas covered by the project.

Participants in the project are Pirlamgimpi, Nguui and Milikapiti Community Government Councils and the Wurankuru Association.

The western MacDonnells regional tourism development plan

This Local Government Incentive Programme project involves development of a 'suite' of tourism enterprises to attract increased visitor numbers to the region and capitalise on the Mereenie 'loop' road (via Hermannsburg to the major attractions of Kings Canyon and Uluru–Ayers Rock). The project will build upon the goodwill and work already completed as part of the community plan for Ntaria (Hermannsburg) Council Inc., by preparing a strategy for the region that meshes with the Northern Territory Government's Tourism Development Masterplan. This will involve implementation of a management strategy and development of final business plans for enterprises at Hermannsburg

identified in the community plan. It is intended to not only increase visitor numbers but also their length of stay.

Aboriginal owned and operated tourism ventures will fill an identified gap and provide many visitors with an Indigenous tourism experience much sought after, particularly by overseas visitors.

Participating councils include Tjuwanpa Outstation Resource Centre Aboriginal Corporation and Wallace Rockhole Community Council as well as Ntaria Council.

Local Government Ministers' Reconciliation Action Plans

On 3 November 2000, the Prime Minister, State Premiers and Territory Chief Ministers and the President of the Australian Local Government Association, through the Council of Australian Governments, agreed on a framework to advance reconciliation with Australia's Indigenous peoples. As part of this framework, the Council of Australian Governments directed Ministerial Councils – including the Local Government Ministers' Council – to develop action plans, performance reporting strategies and benchmarks to advance reconciliation.

In agreeing to the framework, the Council of Australian Governments identified three priority areas for action that reflect the priorities of Indigenous people. They are:

- investing in community leadership;
- reviewing and re-engineering programmes and services to ensure they deliver practical measures that support families, children and young people. In particular, governments agreed to look at measures for tackling family violence, drug and alcohol dependency and other symptoms of community dysfunction; and

- forging greater links between the business sector and Indigenous communities to help promote economic independence.

The framework includes a new approach for governments based on partnerships and shared responsibilities with Indigenous communities, and programme flexibility and coordination between government agencies, with a focus on local communities and outcomes.

In relation to developing an action plan for the Local Government Ministers' Council in response to the Council of Australian Governments' directive, each jurisdiction was asked to participate in a working party to develop a draft working paper for consideration by the Local Government Ministers' Council. With Commonwealth funding, the Australian Local Government Association agreed to take a lead role by engaging a consultant to work with the working party.

The working party has representation from the Commonwealth, each of the States and the Australian Local Government Association and is being assisted by an officer from the Aboriginal and Torres Strait Islander Commission. At the first meeting of the newly formed Local Government and Planning Ministers' Council, the Council is expected to consider the draft action plan prepared by the working party for Local Government Ministers.

Achieving reconciliation will require that positive and effective steps are taken to address Indigenous disadvantage so Aboriginal and Torres Strait Islander peoples have the chance to share in the range of opportunities available to Australians. The Council of Australian Governments' meeting in November 2000 committed the Federal Government, the States and Territories and local government – through the Australian Local Government Association – to the reconciliation process by agreeing to collectively pursue measures to address

Indigenous disadvantage. Although the work of Local Government Ministers and of councils in support of the reconciliation process will be but one element of a much larger process, the effectiveness of this work will be important to achieving the desired outcome for Indigenous people.

The development of performance reporting strategies and benchmarks are key elements of the framework required by the Council of Australian Governments. That is, measuring and comparing the progress made towards achieving particular reconciliation outcomes. This is also an area identified by the Commonwealth Grants Commission in their review of the financial assistance grants arrangements. The Commission said that the Commonwealth, together with the States and Indigenous organisations, should work to develop the performance measures that measure the performance of councils in providing services to Indigenous people. Once these have been developed, the Commonwealth Grants Commission said, they should be applied and the results published in the National Report (Commonwealth Grants Commission 2001, p.27). This will be a key task for Local Government Ministers.

CHAPTER 7

ISSUES AND CHALLENGES

Local government at the end of the 20th century was very different to local government at the time of Federation. The purpose of this chapter is to focus on current issues and challenges which are likely to shape local government's role and direction in the future. It draws on the material presented in other chapters of the report, including the discussion about the changing role of local government in chapter 2, as well as on research and discussion papers commissioned by a number of local government associations.

This year has seen renewed debate about the roles and responsibilities of the three spheres of government in Australia's federal system. This debate highlights the need for local government to develop a clear strategy for dealing with the issues and challenges it faces in order to maintain and strengthen its role as an important third part of Australia's democratic system of government in future.

To some extent, this involves local government 'getting its own house in order' – including making a clear assessment of the areas where it is performing well and the areas where improvement is needed. However, local government cannot do it alone. Given the complexity of the issues, the fact that

responsibility for many of them is shared between more than one sphere of government, and the need to make best use of limited resources, a cooperative approach between all governments will greatly enhance the prospect of successful outcomes.

Local government funding

As noted in chapter 2, the last few decades have seen a significant expansion in local government's role, with councils moving well beyond the traditional focus on 'roads, rates and rubbish' to the delivery of a range of economic, social and environmental services.

Local government has long expressed concern about the extent to which its functions and responsibilities have increased without a corresponding increase in funding or in access to additional revenue. The Commonwealth Grants Commission review of the operation of the *Local Government (Financial Assistance) Act 1995* found evidence to support this view. Reasons for this situation include:

- devolution – where another sphere of government gives local government responsibility for new functions;

- ‘raising the bar’ – where another sphere of government increases the complexity of or standard (and hence the cost) at which a service must be provided;
- cost shifting – in two ways, firstly where local government agrees to provide a service on behalf of another sphere of government but funding is reduced or stopped, and local government is unable to withdraw because of community demand for the service; and secondly, where another sphere of government ceases to provide a service and local government steps in;
- increased community expectations – where the community demands improvements in existing local government services; and
- policy choice – where individual local government bodies choose to expand their service provision.

The review found that, at the national level, the composition of services provided by local government has changed markedly over the last 30–35 years; and local government is increasingly providing human services (social welfare-type services) at the expense of its traditional property-based services (particularly roads). Evidence suggests that broadly similar findings apply at State level.

The review also found that, since the inception of Commonwealth funding in 1974–75, local government has maintained the share of revenue it derives from its own sources; the Commonwealth’s share has increased; the share of revenue coming from State grants has declined; and local government responsibilities have broadened.

The review concluded that, as the financial pressures being faced by local government are not due to a single influence, something more than a single response will be required to address it. It suggested that, where the source of the financial pressure is due to policy choice by local

government, it would be appropriate for local government to use its own revenue sources. Where the source of the pressure is the result of changing policies or actions of another sphere of government, it would be appropriate for that sphere to acknowledge the effect of its actions and to provide extra financial assistance where it resulted in extra functions being imposed on local government. Financial assistance could also be appropriate where actions by other spheres of government (for example, rate pegging, fee capping, rate concessions or exemptions to industry) reduce the revenue capacity of local government.

The review’s findings highlight the need for all governments to work together to address local government funding issues in future. In terms of local government meeting pressures from its own revenue sources, local government may need to find ways to make better use of existing mechanisms for raising revenue and/or find new ways of raising revenue in future. Part of this could also include improved asset management.

Intergovernmental relations

Local government’s expanding role has created pressure to redefine and clarify the relationship between local government and the other spheres of government. In the past, there have been few specific mechanisms for determining whether a particular function is best carried out by local government or another sphere of government. This has led to concerns over duplication of functions and the lack of a clear link between responsibility for functions and provision of funding to enable those functions to be carried out.

The Council of Australian Governments meeting of 8 June agreed to a streamlining of Ministerial Councils to strengthen their strategic direction and improve opportunities for cooperative policy development. The Council further agreed to development of a proposal for a more

fundamental structural reform to the Ministerial Council system. In this context, the Council of Australian Governments agreed that local government would be represented appropriately on Ministerial Councils where there was a clear local government interest.

This is a significant step towards greater recognition of local government and greater cooperation between governments. However, it raises issues in relation to the representativeness of the Australian Local Government Association and its capacity to adequately cover all issues. It also increases the onus on local government to overcome interstate differences and develop a coordinated policy approach as it has successfully done on the local roads issue. An example of an issue where such a coordinated approach is important is National Competition Policy and its implications for local government (see 'National Competition Policy' below.)

The instigation of State–local government partnership agreements is one of the most interesting local government reforms of recent years. Partnership agreements are in place or under negotiation in Tasmania, South Australia and Western Australia. Although the nature of the agreements varies, they represent an attempt to clarify priorities and rationalise the distribution of powers and resources between State and local governments. Partnership agreements enable States and local government to respond to the articulated needs of their communities through an agreed plan and dedicated resources. They are another important step towards improving the relationship between local government and other spheres of government in future.

Tasmanian partnership agreements

The Tasmanian Government is taking the lead in formulating partnership agreements. A partnership agreement is a document that sets out the ways that State and local government will work together to further the social, economic and

environmental issues within a community.

A partnership agreement can be formed around a particular issue (for example, the Derwent Estuary Monitoring Agreement), or may cover a range of different issues. The agreement may be made between the State Government and one council or a number of councils, for example a regional body or a group of councils. A State-wide partnership involves the State Government and all local councils and is signed by the president of the Local Government Association of Tasmania on behalf of councils. State-wide Agreements are developed under the Premier's Local Government Council.

Negotiations are under way in relation to a number of other agreements. For further information, refer to the Tasmanian Department of Premier and Cabinet website at www.dpac.tas.gov.au.

South Australian partnership agreements

A joint management framework was established initially, involving a partnerships forum chaired by the Minister for Local Government with members including the President of the Local Government Association of South Australia and a number of nominees of the State and local government sectors. A scoping study entitled *Partnering for Effective Government – Competitive Advantage for South Australia* was then carried out. Based on this study, priority themes were identified as being:

- State and local government strategic alignment;
- community infrastructure and asset management;
- community safety;
- human services;
- information management;
- natural resource management; and
- sustainable economic development.

Priorities for advancing the partnerships programme to June 2001 included development of 'on the ground' projects; promoting good State–local government partnership models; and more effective strategic alignment and coordination of forward planning between State and local government.

Western Australian partnership agreements

The Western Australian Government recently announced plans to develop State and local government partnership agreements, which could improve opportunities for economic and social development and improve service delivery.

A working group on State and local government relations will be established to identify issues and processes affecting both spheres of government that could be dealt with more effectively. The review would focus on issues that had caused concern to local governments in the past and identify pro-active measures that could be taken to build a more positive relationship in the future. The State Government and the Western Australian Municipal Association are to agree on terms of reference for the working group, which could include:

- the shared vision of the State and local governments;
- consultation mechanisms;
- partnership models;
- financial relationships; and
- decision-making processes.

Further information about this process may be obtained from www.dlgrd.wa.gov.au.

In addition, the Western Australian Government has established an issue-specific State–Local Government Road Funding Agreement (see chapter 5 'Infrastructure').

Size of the sector

Amalgamations have been an important part of local government reform in some States (see chapter 4). Despite the progress that has been made, debate about the size and viability of the sector continues. There is a view that there are too many small and uneconomic councils, resulting in fragmentation of authority, duplication, under-utilisation of equipment and resources, and difficulty in providing or obtaining specialist expertise. Arguments in favour of small councils include their representativeness and capacity to respond to local issues and needs.

Local government needs to continue to focus on this issue in future. It may be useful to develop a model of sustainable local government using viability criteria such as those developed by the Western Australian Structural Reform Advisory Committee Report of 1996, as outlined in chapter 4 'Structural reform of local government in Australia'. It may also be useful to analyse the extent to which current funding arrangements provide effective incentives (or impediments) for individual councils and the local government sector as whole to address these issues.

Other options include continuing to build on cooperative regional approaches as well as building on resource and skill sharing opportunities, such as the current crop of Local Government Incentive Programme projects. The merger of Albury and Wodonga Councils provides an example of one approach to amalgamation (see box).

National Competition Policy

One of the key forces which has had an impact on local government in recent years and which is likely to continue to do so is the National Competition Policy.

The National Competition Policy was introduced in 1995 to reform monopoly arrangements to increase consumer and business choice, reduce

Albury–Wodonga – Single City Proposal

Albury and Wodonga are located on the Victoria–New South Wales border and are divided geographically by the Murray River. Albury and Wodonga have one of the largest inland populations in Australia with more than 42,000 people living in Albury and close to 32,000 in Wodonga.

In March 2001, the Victorian and New South Wales Governments announced that Albury and Wodonga would be merged into a single city entity (that is, one local government authority). Both Governments believe that a merged Albury–Wodonga municipality would help remove many cross-border anomalies, make the area more attractive to new investment and stimulate the creation of more jobs.

An intergovernment working group was appointed to consider:

- constitutional and legal issues involved with the merger;
- State government service delivery issues; and
- issues arising from community consultation.

The Right Hon. Ian Sinclair is leading the community consultation.

The working group released an issues paper in July 2001. The paper incorporates, for further discussion, the issues identified in the community forums held in June. These include:

- Advantages and disadvantages of a single city.
- What will a single city mean? For example how a single city council administration would be achieved?
- Council employment, location and service issues.
- Financial issues such as the impact the merger would have upon State and Federal funding.
- Cross-border anomalies relating to different laws, policies and practices.

A comprehensive consultation paper has since been released. The paper provides detail about the opportunities for change and outlines a possible model for a single city. It also includes discussions about cross-border anomalies and seeks to test the perceived risks and benefits of creating a single city in line with the proposed model.

production and transportation costs and to create an overall business environment in which to improve Australia's international competitiveness.

Local government, although not formally a party to the National Competition Policy Agreements, plays a significant role, particularly in the application of competitive neutrality principles, the review and reform of restrictive legislation and the water reform programme.

At its meeting on November 2000, the Council of Australian Governments re-affirmed its commitment to the National Competition Policy in sustaining the competitiveness and flexibility of the Australian economy. Several measures were agreed to establish a practical framework for the ongoing, effective implementation of the Policy.

Some of the key changes, which were intended to clarify and fine tune the policy implementation arrangements, included:

- governments to document the public interest reasons for supporting a decision or assessment and make them available to interested parties and the public;
- following the third tranche assessment in July 2001, the National Competition Council will make annual assessments of reform progress and make recommendations as to the level of competition payments; and
- assessment of compliance with the competitive neutrality requirements, including adoption of best endeavour approaches, remove the need for parties to undertake a competitive process for delivery of Community Services Obligations, and allow governments to freely determine who should receive a Community Services Obligations payment or subsidy.

Some elements of the reform programme have been amended to extend timetables beyond 2001, notably in relation to the water, electricity and gas sectors, and the legislation review and reform programme. The changes will also serve to address a number of community concerns regarding the application of the National Competition Policy which were identified in the Productivity Commission and Senate Select Committee inquiries into competition policy.

The Productivity Commission is undertaking a review of Section 2D of the *Trade Practices Act 1974* which exempts the licensing decisions and internal transactions of local government bodies from Part IV of the Act. Part IV regulates restrictive trade practices. In undertaking the review, the Commission is to report on the appropriate arrangements for regulation, if any, taking into account:

- the objectives of the exemption and the nature and magnitude of the problems it seeks to address;
- the extent to which the exemption restricts competition;

- the benefits, costs and overall effects of the exemption, including impacts on specific industry sectors and communities; and
- any alternatives to the exemption, including non-legislative approaches.

The inquiry is expected to be completed by October 2002.

Good governance and community participation

Good governance requires that local government continue to have a responsive and responsible structure that keeps it in contact with events in the wider community. Part of this involves establishing effective relationships with the other governments and strengthening the role of bodies like the Australian Local Government Association and Local Government Managers Australia. Local government will need to continue to focus on the capacity of peak bodies to pursue resolution of areas of interest for the sector as a whole.

Electronic access and service delivery are opening up new ways for the community to interact with government, allowing for faster and more direct access. Local government will need to find ways to provide for and manage this trend, including ensuring that an effective balance is maintained between representation and direct participation.

A further issue is increasing the representativeness of council staff. Women, younger people and people from culturally diverse backgrounds are significantly under-represented among both elected members and staff.

Women make up less than 30 per cent of all local government elected members, 15 per cent of mayors and less than 10 per cent of senior executives. In March 2001, the Federal Government sponsored a round table of women in local government to consider the issues that contribute to this situation.

Following the round table, a project was commenced to develop a national approach to improving women's participation in decision making in local government. The result is the National Framework for Women in Local Government which calls on every council in Australia to contribute to increasing women's participation in elected member and senior management positions in Australian local government. The framework does not mandate specific actions but encourages councils to devise strategies suitable to their environment.

The framework was developed following a national consultation process. It was developed in partnership with the Australian Local Government Association, Local Government Managers Australia, the Department of Transport and Regional Services, and the Commonwealth Office of the Status of Women.

Building local government capacity

Local government reform programmes, implemented by some State governments (see chapter 4), have brought about extensive changes to the structure and operations of many councils across Australia. Building on these reforms will require a continued commitment to building local government capacity.

The Federal Government promotes innovative practice in local government through the annual National Awards for Innovation in Local Government. The awards identify and promote innovation and leading practice in local government, encouraging regional cooperation and partnerships between councils and local enterprises (see Appendix K). Sponsoring departments also use the information provided by all entries to develop government policies on a range of issues, both existing and emerging. This highlights local government's role as a key barometer of social, economic, environmental and cultural issues of concern to communities.

In 2001 the Federal Government launched a series of leading practice seminars where councils spoke about their award-winning projects to representatives from other councils. Over 100 councils attended the seminars which were an important way to explain, face-to-face, the best practice identified through the Awards. All entries are listed in the *Guide to Leading Practice in Local Government*.

Local government can also build its capacity by reforming electoral procedures – for example, by resolving electoral anomalies such as those in Queensland. It can resolve issues of probity by ensuring councillors are adequately remunerated and report on their financial interests, as do State and Federal politicians.

Finally, continued investment in education and training will be required to develop and build on the strategic and analytical management culture needed in modern local government. An essential element of this is the capacity to bring together the environmental, social and economic dimensions of issues at the local level.

Sustainable development

Balancing economic growth with sound environmental management and the need to develop and promote stronger local communities will be a key challenge for local government in the future.

Local government has a critical role in natural resource management. While State and Federal governments have taken the role of formulating plans and policies, councils play a significant role in managing issues, such as land use planning, biodiversity, water infrastructure and management and salinity, at the local level. Successful management of these issues will require adequate future funding, access to expertise and knowledge and sharing of best practice approaches. Local government commitment and participation in major environmental initiatives,

such as the National Action Plan for Salinity and Water Quality and the second stage of the Natural Heritage Trust, is vital for sustainable outcomes to be achieved.

E-business for local government

Furthering e-business is another current issue for local government which will continue to be important in the future. Evidence of the Federal Government's support for this initiative is in chapter 4 – 'Local Government Online' and 'GrantsLINK'.

Representatives of the Department of Transport and Regional Services, Networking the Nation, Business Entry Point (in the then Department of Employment, Small Business and Workplace Relations), the National Office of the Information Economy and the Australian Local Government Association met in late 2000 to develop a process to help further e-business in local government.

A national e-business meeting, sponsored by the Department of Transport and Regional Services, was held in April 2001 in Melbourne and brought together a wide range of stakeholders involved in provision or use of electronic service in local government. Participants addressed priority issues for e-business and development assessment needs in electronic delivery. These included interoperability (that is, the ability of systems and data to interact), information sharing and transfer and a range of other issues.

E-business and electronic service delivery will be important not only in terms of improving service delivery but in ensuring that communication between councils can transcend local or State boundaries. This will facilitate information sharing and dissemination of leading practice which are integral to improving local government performance and reducing its fragmentation.

A rural mentor facility

A project currently being undertaken by the Local Government Managers Australia provides an excellent example of how modern communication technology can contribute to information sharing and help overcome distance and isolation.

The project was funded under the Local Government Incentive Programme and involves development of a major extension to the Local Government Managers Council's current website to provide a 'rural mentor' facility – a practical Internet-based aid to local government officers in rural and remote locations throughout Australia.

Based around commonsense functional categories, the online network will allow participants to search a library, find out the latest news, post a question, respond to questions logged by others, conduct research and more. It will be a highly inclusive site – part portal, part resource, part information hub.

Indigenous issues/reconciliation

Issues arising from local government's role in delivery of services to Indigenous communities include:

- the adequacy of services provided by councils; and
- the financial capacity of local government to provide services to discrete Indigenous communities, particularly given land tenure arrangements and the non-rateability of land.

The Commonwealth Grants Commission, in its review of the *Local Government (Financial Assistance) Act 1995* recommended that the requirements of the National Report in relation to Indigenous people be strengthened

considerably. This would include monitoring and reporting on local governing bodies' performance in providing services to Indigenous people and the extent to which local government grants commissions' assessment methods recognise the needs of Indigenous people. The Commonwealth Grants Commission also canvassed the possibility of extending this Principle to cover other disadvantaged groups.

The Council of Australian Governments initiative in relation to reconciliation also provides an opportunity to advance the interests of Indigenous people at the local, State and national level.

Regionalisation

There has been renewed debate recently over the effectiveness of Australia's current system of government, including calls to develop forms of regional governance.

Local government has already made considerable progress on developing a regional focus through the formation of Voluntary Regional Organisations of Councils. There is scope to build on these developments in future to bring about a greater focus on regional strategic planning. Regional mayor's forums have been suggested as one means of achieving this.

Local government's role in regional development is another issue that is likely to become increasingly important in future. Local government is currently involved in a number of Federal regional development programmes (see 'Federal Government support for local initiatives' in chapter 4.) Establishment of the new Regional Development Council, which includes the Australian Local Government Association, is a key opportunity for local government to strengthen its role in this area.

The Australian Local Government Association paper, *Developing Competitive Regions*, funded by the Commonwealth under the Local Government

Development Programme, and available on the Australian Local Government Association's website, identified some of the key ways in which local government can contribute to regional development. Local government needs to continue to articulate its role and contribution in this area in future and establish effective linkages with the numerous bodies operating at the regional level.

The changing role of the National Report

In its review of the *Local Government (Financial Assistance) Act 1995* this year, the Commonwealth Grants Commission recommended that the National Report play a stronger monitoring role in:

- the extent to which local government grants commissions' assessment methods and approaches are consistent with the National Principles;
- the extent to which local government grants commissions are modifying their equalisation assessments to deliver greater stability in annual grants;
- the extent to which local government grants commissions' assessment methods recognise the needs of Indigenous people;
- the performance of local governing bodies in providing services to Indigenous people (performance measures should be developed for this purpose);
- the extent to which local government grants commissions' processes explain how individual grants have been calculated and provide sufficient information to enable local governing bodies to calculate them if they wished; and
- the effectiveness of the proposed transitional arrangements.

If implemented, all of these aspects of the National Report will need a closer relationship between the Federal Government and local government performance, particularly in relation to delivery of services to Indigenous people.

The Commonwealth Grants Commission suggests that the National Report initiate discussion on:

- the methods local government grants commissions employ to constrain grant changes;
- the extent to which these methods are constraining equalisation outcomes; and
- whether there should be any limit on the extent to which these arrangements can be used.

Future funding framework

The Commonwealth Grants Commission in its review of the *Local Government (Financial Assistance) Act 1995* recommends moving from a two-grant-pool to a three-grant-pool framework associated with three grant distributional objectives, roads, per capita and relative needs. This would be matched with appropriate National Principles to guide local government grants commissions in allocating each pool to local governing bodies. At present, the per capita component (the minimum grant) is funded from the same pool as the component of grants intended to improve equity (the equalisation component). The Commission found that attempting to achieve these two competing objectives by distributing the one pool is conceptually confusing and, in practice, gives rise to some difficulties and uncertainty.

The proposed per capita grant pool would be funded with what would have been 30 per cent of the State's general purpose pool. It would be distributed among all local governing bodies on a population basis. This would replace the current minimum grant principle.

The relative needs grant pool would be funded from what is left of the present general purpose pool after the proposed per capita grant pool is established – that is, 70 per cent of the present general purpose pool. Not every local governing body would receive grants from the relative need pool, because its purpose would be to provide additional assistance to disadvantaged local governing bodies. This would replace the equalisation principle currently guiding general purpose funds distribution.

The Commission considered that how the limited assistance is to be distributed be left to the judgement of individual local government grants commissions. The recommendations have yet to be formally considered by the Federal Government. It will be a priority area for attention in 2001–02.

The future

Much has been written about the possible shape and direction of local government in future. Some suggest that, if the current trends continue, councils will get bigger and bigger, and more involved in commercial enterprises. They will also capitalise on their expertise and regulatory powers in relation to environmental matters to market their areas as clean and green places for development, employment and as a source of locally-grown products. Other predictions include councils taking on the role of revenue collectors for offences such as traffic and domestic animal control infringements, possibly even minor criminal offences, such as those which result in home confinement. This progressive assumption of State-like powers could allow councils to have greater involvement in revenue generation, community policing and economic development.

Some commentators suggest that one of the consequences of the change in local government's responsibilities and operations over the last two or three decades is that local government experiences uncertainty and ambivalence about its role. One

key question is whether local government is primarily a service provider or government. Local government needs to continue to debate these issues and develop a clear vision for its future.

However, this cannot be done by local government in isolation. Partnerships with other spheres of government and key organisations will be essential and the approaches developing in some States over the past year are an excellent start. This will be on the basis of understanding current roles, responsibilities and resources as well as developing benchmarks and performance indicators. One of the roles the National Report can play is to contribute to that understanding.

APPENDIX A

NATIONAL PRINCIPLES FOR ALLOCATING GENERAL PURPOSE AND LOCAL ROAD GRANTS

According to section 3 of the *Local Government (Financial Assistance) Act 1995*, the Federal Parliament provides financial assistance grants to the States for the purpose of improving:

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

These financial assistance grants are provided to the States for local government purposes in the form of general purpose and local roads grants. The States distribute these funds to local governing bodies in accordance with recommendations of local government grants commissions but only after the Federal Minister has approved them. In determining grant allocations, grants commissions are required

to make their recommendations in line with National Principles.

The current National Principles are set out in figure A.1.

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

The formulated National Principles are a disallowable instrument. Being a disallowable instrument means that, before the National Principles can come into effect, they must be tabled in both Houses of Federal Parliament. Members and Senators then have 15 sitting days in which to lodge a disallowance motion. If such a motion is lodged, the respective House has 15 sitting days in which to put and defeat the motion, otherwise the National Principle will be deemed to be disallowed.

The genesis of the 1995 Act was the 1993 Local Government Ministers' Conference at which Ministers agreed to a review of processes

associated with payments made to local government under the *Local Government (Financial Assistance) Act 1986*. Two studies, commissioned as part of the review, examined local government finances and the methodologies used by the grants commissions to distribute the grants (Macklin, 1994; Morton, 1994). These studies found that the seven different models operating were of little relevance in ensuring equity in grant distribution or allowing for monitoring of outcomes. This finding led to the drafting of the current 1995 Act and inclusion of the requirement for the National Principles and the National Report.

The current National Principles were formulated following extensive consultations with State Local

Government Ministers and Local Government Association representatives. The Principles were formally agreed to at the April 1995 Local Government Ministers' Conference and came into effect in October 1995.

These National Principles were intended to reflect existing and well established distribution practices of the Commonwealth Grants Commission and most State local government grants commissions. It was also intended that the application of common principles would ensure, subject to the particular methodologies of the State grants commissions, that similar local governing bodies receive similar grants, at least in relative terms.

Figure A.1: National Principles for allocating general purpose and local road grants

- A. The National Principles relating to 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/Territory. It takes account of differences in the expenditure required by those local governing bodies in the performance of their functions and in the capacity of those local governing bodies to raise revenue.¹

2. Effort Neutrality

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

3. Minimum Grant

The minimum general purpose grant allocation for a local governing body in a year will be not less than the amount to which the local governing body would be entitled if 30 per cent of the total amount of general purpose grants to which the State/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.¹

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.²

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.³

- 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.

Notes:

1. Principles A1 and A3 reiterate principles that exist within the current legislation. Their inclusion in the National Principles contributes to the balance and completeness of the National Principles and allows for clarification of their definitions. The effect of Principle 3 is to provide each local governing body with a guaranteed minimum grant.
2. This Principle requires recognition and application of certain relevant grants from other sources against council expenditure needs. The issue here is to account for revenue from other sources provided for the purpose of delivering certain local government services.
3. This Principle addresses the specific need for the provision of equitable council services to Aboriginal and Torres Strait Islander communities and indicates that the level of grants received by councils reflects the Aboriginal and Torres Strait Islander population within council boundaries.

APPENDIX B

STATE METHODS FOR DISTRIBUTING FINANCIAL ASSISTANCE GRANTS 2000–01

The methods each State local government grants commission employed for allocating grants to councils in 2000–01 are provided under the following sections:

- New South Wales
- Victoria
- Queensland
- Western Australia
- South Australia
- Tasmania
- Northern Territory

Descriptions of methods are based on information supplied by local government grants commissions.

The Australian Capital Territory requires no distribution of grant because the Territory Government directly exercises local government functions.

New South Wales

The New South Wales Commission's methodology has not changed significantly since 1999–2000. 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.

General purpose component

The **general purpose component** of the grant attempts to equalise the financial capacity of councils. The Commission uses the direct assessment method. 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).

Expenditure allowances are calculated for each council for a selected range of council functions. They 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).

Expenditure allowances are calculated for 21 functions or areas of expenditure. These functions are: general administrative services, aerodromes, services for aged and disabled, building control, public cemeteries, services for children, general community services, cultural amenities, control of dogs and other animals, fire

control and emergency services, general health services, library services, noxious plants and pest control, town planning control, recreational services, stormwater drainage and flood mitigation, street and gutter cleaning, street lighting, and maintenance of urban local roads, sealed rural local roads, and unsealed rural local roads.

An additional allowance is calculated for councils outside the Sydney statistical district that recognises their isolation (see below).

The general formula for calculating expenditure allowances is:

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

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 others it may be the number of properties or the length of roads;

Standard cost represents the State average cost for each of the 21 selected council functions. The calculation is based on a State average of each council's unit cost, excluding extreme values, using selected items from Special Schedule 1 of councils' 1998–99 Statements of Accounts; and

Disability factor is the extent to which it is estimated to cost the council more than the standard to provide the service.

A disability factor is the Commission's estimate of the additional cost, expressed as a percentage, of providing a standard service due to inherent characteristics that are beyond a council's control. For example, if it is estimated that it would cost a council 10 per cent more than the standard, for town planning, because of population growth in the area, then the disability factor would be 10 per cent. Consistent with the effort neutral principle, the Commission does not compensate councils for cost differences that arise due to

policy decisions of council, management performance or accounting differences.

For each function the Commission has identified a number of variables that are considered to be the most significant in influencing a council's expenditure on that particular 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. In addition to disabilities identified by the Commission, 'other' disabilities relating to individual councils may be determined from council visits or submissions.

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

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

where:

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

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

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

The Commission uses the inclusion approach in the treatment of specific purpose grants. This

means the disability allowance is discounted by the specific purpose grant as a proportion of the standardised expenditure.

For the functions of services for aged and disabled, and services for children, the deduction approach is used. This method deducts specific purpose 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 Commission also calculates an allowance for additional costs associated with isolation. The **isolation allowance** is calculated using a regression analysis model based on the additional costs of isolation and distances from capital cities. Details of the formula are shown later in this section. An additional component to the isolation allowance is included which specifically recognises the additional industrial relations obligations of councils in western New South Wales covered by specific award rates.

A **pensioner rebate allowance** is calculated which recognises that a council's 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 formula used are shown later in this section.

The calculation of **revenue allowances** is a broad-brush attempt to compensate councils for their relative lack of revenue-raising capacity. Property values are the basis for assessing revenue-raising capacity because rates, based on property values, are the principal source of councils' income and

property values, to some extent, are an indicator of the relative economic wealth of local areas.

In the Commission's methodology, 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 a State standard rate-in-the-dollar.

To reduce seasonal and market fluctuations in the property market, the valuations are averaged over three years. In the revenue allowance calculation, councils with low values per property are assessed as being disadvantaged and are brought up to the average (positive allowances), while councils with high values per property are assessed as being advantaged and are brought down to the average (negative allowances). That is, the theoretical revenue-raising capacity of each council is equalised against the State standard. The Commission's approach excludes the rating policies of individual councils (effort neutral).

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

In developing the methodology for the 1986 legislation 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. This approach has continued under the provisions of the 1995 legislation.

The discounting helps to overcome the distortion caused to the revenue calculations as a result of the property values in the Sydney metropolitan area.

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

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

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

The Commission, because of the practical and theoretical problems involved, does not consider the requirements of councils for capital expenditure. 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. Further, councils that had failed to adequately maintain their assets could be rewarded at the expense of those that did maintain them.

The issue of funding for local water and sewerage undertakings was examined during the process of consultation between the Commission, the 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 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 New South Wales;
- 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.

The Commission agreed with the submissions of the Associations and local government. Accordingly, water and sewerage functions are excluded from the distribution formula.

The Commission views income from council business activities as a policy decision and, therefore, does not consider it in the grant calculations (effort neutral). Similarly, losses are not considered either.

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

Generally, the level of a council's expenditure on a particular function does not affect the grants. The use of a council's expenditure is generally limited to determining a state standard 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.

Efficient councils are rewarded by the effort neutral approach of the calculations. To illustrate this, two councils with similar populations, road networks, property values, and disability measures would receive similar grants. The efficient council can use its grant funds to provide better facilities for its ratepayers. The inefficient council needs to use its grant funds to support an inefficient operation and cannot provide additional services to its ratepayers. Therefore, the efficient council will benefit from its efficiency.

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

Local roads component

The method of allocation of the local roads component is based on a simple formula developed by the New South Wales Roads and Traffic Authority. The formula uses councils' proportion of the State's population, local road length and bridge length. Refer to the 'principles' elsewhere in this report for details.

Summary of formulae used to calculate expenditure and revenue allowances of the general purpose component

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

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

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 regional centre (a population centre of more than 20,000)

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

K1 and **K2** are constants derived from regression analysis

Specific purpose payments

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

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

where: **Gc** = the specific purpose grant received by the council for the expenditure 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 calculating revenue allowances is:

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

where: **Ac** = revenue allowance for the council

Nc = number of properties (assessments)

ts = standard tax rate (rate-in-the-dollar)

Ts = standard value per property

Tc = council's value per property.

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

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

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

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

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.

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

Principles**General purpose (equalisation) component**

These principles, consistent with the National Principles of the *Local Government (Financial Assistance) Act 1995*, are based on an extensive programme of consultation with local government prior to implementation of the 1986 legislation.

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.

Local roads component

Financial assistance which is made available as an identified local roads component of local government financial assistance will 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 per cent to local roads in urban areas.

72.46 per cent to local roads in rural areas.

4. Local roads grant in urban areas

Funds will be allocated:

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

5. Local roads grant in rural areas

Funds will be allocated:

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

6. Population

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

Road length will be based on the most up-to-date data available to the Local Government Grants Commission of New South Wales for formed roads, which are councils' financial responsibility.

Bridge length will be based on the most up-to-date data available to the Local Government Grants Commission of New South Wales 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 will be agreed to between representatives of the Local Government Grants Commission of New South Wales and the Local Government and Shires Associations of New South Wales.

Victoria

The Victoria Grants Commission allocates general purpose and local road grants to councils on the basis of the relevant national principles.

General purpose grants methodology

General purpose grants are used to compensate councils for inherent cost disabilities and revenue-raising disabilities, recognising their unique needs. In keeping with the requirement of allocating general purpose grants to councils on the basis of horizontal fiscal equalisation, the Commission seeks to equalise the capacity of each council in Victoria to provide an average range of services at a standard level.

The methodology, based on horizontal fiscal equalisation, is qualified by the requirement that each council should receive a minimum per capita amount (an as-of-right grant) regardless of assessed need.

Formulae

The Commission's methodology requires an estimate to be made of the expenditure that

each council would need to incur if it chose to provide a standard range and level of services (standardised expenditure) and the revenue that each council would raise if it rated its valuation base at a standard rate (standardised revenue). The difference between the standardised expenditure and the standardised revenue for a particular council is known as the raw grant. The model has the general form:

$$G = E - R$$

where: G = the raw grant for any council

E = the standardised expenditure for that council

R = the standardised revenue for that council

Standardised expenditure (E)

Standardised expenditure is calculated for each of 20 Victorian standard expenditure functions for each council.

For any particular function the standardised expenditure (E) is calculated as the product of its units of need (u), the standard cost per unit of need (c), a discount factor (d) and its disability factor (D). This can be expressed as:

$$E = u \times c \times d \times D$$

The Commission performs this calculation on each of the standard or core set of functions commonly carried out by councils. The products of these calculations for each particular council are aggregated to derive the standardised expenditure for a council on the set of core functions.

Units of need (u)

Units of need are the prime users or drivers of the service and are sometimes referred to as major cost drivers. They can be represented by the total population of the council for some functions or as a subset of the population for others, for

example, aged services, or the total road length in other instances.

Standard cost per unit of need (c)

A standard unit cost for each function is derived by calculating the modal value of the gross expenditure per unit of need for all councils in Victoria. The main unit of need is the population or sub-categories of the population of the council, however some of the functions rely on other needs including lengths of local roads (for the road functions) and the number of households serviced (for the function of sanitation).

Standard cost (u x c)

The standard cost for any council is the product of the standard unit cost (uniform for all councils) and the number of units of need for that council.

Discount factor (d)

A discount factor is introduced into the equation to take account of revenue received by councils from grants and in some cases, revenue from other sources. The discount factor is calculated by dividing the council contribution by total expenditure on the service. The discount factor ranges from 0 to 1.0 and is calculated for each function for each council. A factor of 1.0 implies that there are no specific purpose grants or reimbursements and the whole cost of the service has been met from council funds. A discount factor of 0 implies that the whole cost of the service has been met from specific purpose grants or other sources of revenue.

Disability factors (D)

The Commission assigns a disability factor for each function for each council. These factors provide the avenue through which the inherent disadvantages, such as high service costs beyond a council's control, can be incorporated into calculation of the grants.

Standardised revenue (R)

The calculation of standardised revenue for each council involves the following steps. The total rate revenue for Victoria is obtained by adding the actual rate revenue reported by each council. The valuation base for each council is obtained from the Valuer-General, who provides the Commission with an estimate of the net annual value, indexed to a common valuation date. In mathematical terms, the standardised revenue (R) for each council can be expressed as:

$$R = V \times r$$

where: V = the valuation base for the council averaged over three years

r = the standard rate for all councils, calculated as a three-year average

Disability factors

The premise behind the principle of horizontal fiscal equalisation is that each council should be able to function at a standard not lower than the average standard of other councils in Victoria. To implement this principle, differences in the expenditure and revenue-raising capacity of councils are taken into account in light of council's needs. These needs are reflected in the disability factors that comprise one element of the equation to calculate standardised expenditure.

Disability factors are primarily used to compensate councils for factors beyond their control. These factors may include such variables as the socioeconomic profile of a council, its physical terrain or isolation, which all contribute to differences in unit costs and hence expenditure levels from one council to the next.

The model developed in 1996 by Dr Ian Manning of the National Institute of Economic and Industry Research identified multiple cost drivers, which, when given a suitable weighting, provided an improved measure of the relative expenditure disabilities of councils. The model,

which has been subject to a number of successive modifications since 1996, was further refined for the 2000–01 allocation of grants.

Refinements to disability factors

The following changes were made to disability factors and their minor cost drivers for the 2000–01 allocation of grants:

- **Health and welfare disability factor** – Last year the ‘health and welfare’ function was based upon three cost drivers, *retail employment, socioeconomic status and aboriginality* all carrying a third weighting. Calculation of the disability factor for the function of ‘health and welfare’ was changed in the 2000–01 allocation as follows:

The retail employment minor cost driver which was used as a proxy for the relative effort required by councils in inspecting food premises was deleted and replaced with a new minor cost driver based on the number of registered establishments handling food. This cost driver was seen as a more appropriate indicator for the ‘health and welfare’ function.

- **Aged services disability factor** – As a result of representations to the Commission from a number of councils the ‘aged services’ function was modified to include two additional minor cost drivers as follows:

‘English speaking proficiency’ (as measured by the Australian Bureau of Statistics census data) was added. This was as a result of submissions from a number of councils servicing a significant number of people from different ethnic groups.

‘Isolation’ was also included in response to representations from rural councils. This minor cost driver is based on the distance from the council’s headquarters to Melbourne and to the nearest regional centre.

The other minor cost drivers for the aged services function are ‘socioeconomic status’ and ‘aged population over 70 years’. All four minor cost drivers had a range set to 1.0 to 2.0 and the English Proficiency Index was centred on the State average.

- **Community services** – An index of the number of tourists visiting each municipality, based on Australian Bureau of Statistics data on total guest nights per council, has replaced ‘duplication’ as a minor cost driver for the function of ‘community services’. Several councils made representations to the Commission seeking the introduction of a tourism component based on the impact significant numbers of visitors have made within their municipal boundaries. There had also been concerns about the continued use of the duplication index because of the age and accuracy of the data used in its construction; the fact that the number of administration centres may not necessarily reflect the dispersal of a council’s population; and the fact that the number of centres is effectively a council policy decision and the indicator is not strictly effort neutral.

The new ‘tourism’ index is based on Australian Bureau of Statistics data for accommodation establishments with 15 beds or more. It is centred on the State average for tourist bed-nights and both Melbourne City Council and Alpine Shire Council have been set at the maximum value of two. The three other minor cost drivers – ‘isolation’, ‘scale’ and ‘growth’ – used to calculate the overall disability factor for the ‘community services’ function, still apply.

- **Traffic management and street beautification** – Based on arguments in council submissions that the scale used in the ‘age of infrastructure’ index was inappropriate because it did not account for the significant age of infrastructure in some of the older parts of some councils in the ‘metropolitan developed’ category. The ‘age of infrastructure’ minor cost driver used in the assessment of the functions of ‘traffic management’ and ‘street beautification’ was increased from 1.0 to 1.2 for councils in the ‘metropolitan developed’ category.
- **Sanitation disability factor** – The Commission agreed to cap the discounted

standardised expenditure for sanitation at 20 per cent above the actual expenditure (as was the case in 1999–2000) and not permit it to fall lower than actual expenditure. This reflects the reality that councils have only a limited discretion in the expenditure in this function, in part due to the requirements of external bodies such as the Environment Protection Authority.

- **Mulholland model** – As a result of representations from councils requesting that the Mulholland factors more closely align those of neighbouring councils, data for the factors was revised based on the 1998–99 council returns and the submissions for the 2000–01 allocations. The revised factors also impact on the minor cost drivers for the functions of ‘traffic management’, ‘aerodromes’, ‘sanitation’ and ‘environment protection and drainage’.

Movements in grants

The Victoria Grants Commission takes particular care to ensure that grants to councils do not fluctuate significantly from one year to the next. Due to a significant amount of variability in the 2000–01 determinations, the Commission sought to keep fluctuations in general purpose grants within a range of –6 per cent to +20 per cent compared to the corresponding grants of the previous year.

In recognition of the relatively greater reliance that smaller councils place on grant revenue, and the need to provide such councils with financial stability, the Commission decided to apply, for the second successive year, a staged floor to the caps for councils with populations of less than 20,000, such that:

- for councils with a population of up to 10,000, the general purpose grant for 2000–01 was no less than the previous year’s grant;

- for councils with a population of between 10,000 and 15,000, any reduction was limited to 2 per cent; and
- for councils with a population of between 15,000 and 20,000, any reduction was limited to 4 per cent.

Natural disaster assistance

A separate component of the financial assistance grants is an allocation for natural disaster relief. The Commission provides flood (storm damage) or bushfire relief on receipt of approved natural disaster documentation from the Department of Treasury and Finance and/or VicRoads, where the council contribution exceeds \$10,000.

Councils are not eligible for natural disaster relief unless they have contributed to the repairs/restoration work, and relief is capped at \$35,000 per natural disaster for each council in any one year. A total of \$99,055 was allocated to four councils in 2000–01 to assist them with restoration relating to flood damage.

General purpose grants review

In February 2000 the Commission engaged consultants to undertake a major review of the methodology used to allocate general purpose grants to councils. The objective of the review is to ensure that general purpose grants are allocated in a manner which is fair, predictable, stable and transparent.

A draft ‘issues and options’ paper was circulated to interested parties in late 2000. A series of regional seminars was held in November 2000 and written submissions on the issues and options paper were received from councils and interested parties. The input from both the seminars and the written submissions was taken into account in the *Review of the allocation of General Purpose Grants to Victorian Councils – Final Report*, released in May 2001.

A revised Annual Return of Information and accompanying information manual is being prepared. The revised methodology is expected to be operational in 2002–03.

Local roads grants

The national principles include one which applies to the allocation of the roads funding element of the general purpose grant. It focuses on the relative needs of each council for roads expenditure and preservation of its road assets.

The distribution of local roads funding for 2000–01 was undertaken using a methodology which takes account of each council's population and length of local roads, by road type. 2000–01 was the last year that the Commission allocated the local roads grants using this methodology. A new formula will be used in 2001–02 which is based upon the length of all local roads and traffic volumes carried by those roads.

Formulae

$$\text{Grant} = P \times (1 + c) \times \{a \times \text{population} + b \times \text{sealed road length} + b/2 \times \text{formed and surfaced road length}\}$$

where:

- a** = {category share of pool (ie 30 per cent, 7 per cent or 63 per cent) × category population weighting factor (ie 20 per cent or 40 per cent) × council loading factor (ie 0.9, 1 or 1.1)} **divided by** population for **category**, adjusted for loading factors
- b** = {category share of pool (ie 30 per cent, 7 per cent or 63 per cent) × category road weighting factor (ie 80 per cent or 60 per cent) × council loading factor (ie 0.9, 1 or 1.1)} **divided by** sealed road length plus half the formed and surfaced road length for **category**, adjusted for loading factors

c = a council's ratio of past special impact grants to the local roads formula grants (over 1994–95 and 1993–94, where there is comparable data; otherwise using 1994–95 ratios)

P = constant set so the total grants produced by the equations equals the allocation amount

a and **b** are constants for all councils in any single category of council for any given year, but change marginally from one year to the next with the total population and road lengths within each category of council. The loading factor is to allow for variations amongst councils in topography and rainfall.

In allocating local roads funding for 2000–01, for the second successive year the Commission set aside 4 per cent of the total pool, or approximately \$3.3 million, to help councils develop their local roads databases. Each council was allocated a base sum of \$20,000, with the balance of the available funds being allocated on the basis of each council's length of local roads. With the assistance of these special funds, new data in the form of daily traffic volumes in urban and rural areas was collected during June to July 2000 and will be used in conjunction with external cost modifiers and average life-cycle costs to undertake a modelling exercise using the proposed formula.

New local roads funding methodology

In late 1998 the Victoria Grants Commission engaged ARRB Transport Research Limited and the National Institute of Economic and Industry Research to undertake a review of the methodology used to allocate Commonwealth Government provided local roads funding to councils in Victoria.

The final report, released in July 1999, recommended introduction of a new methodology based on the average life-cycle

costs of each council's local road network and incorporating several cost disabilities.

It recommended that the key determinants for allocating local roads grants in future be road length and traffic volumes, supplemented by the application of cost modifiers relating to freight, climate, materials availability, subgrade condition and whether or not roads are strategic routes. In addition, it was recommended that a small pool of funds be set aside to assist councils in local road network planning and management.

The Commission adopted the final report's recommendations on an 'in-principle' basis, and wrote to all councils seeking traffic volume information on a consistent basis. This information was received by December 2000 and facilitated the modelling of the outcomes of the proposed new methodology. The new formula will be first implemented in 2001–02.

Queensland

Methods

Fiscal equalisation component

The principles of fiscal equalisation attempt to provide the resources necessary to enable councils to supply services to an average standard while facing a diverse range of geographic, social and economic circumstances. The relative dependency of councils on the financial assistance varies considerably and this provides the basis for the allocation.

The Queensland Local Government Grants Commission uses a balanced budget approach.

The Queensland Local Government Grants Commission takes into account the expenditure needs and the revenue-raising capacity of councils. The Grants Commission therefore determines a notional budget for each local government in Queensland. The notional budget is calculated by assessing the expenditure need

and revenue-raising capacity based on a state average for local government activities.

Once a notional budget has been determined for each council, a grant is calculated which ensures each council has an equal ability to fund its assessed expenditure need. This is presented in the equations below.

$$G = kE - (R + I), \text{ that is}$$

$$I + R + G = kE$$

where: **k** = scaling factor

G = the grant

R = revenue capacity

E = expenditure need

I = other grants treated as revenue

The formula ensures that the calculated grant (**G**) plus the assessed revenue (**R**) and other grants treated as revenue (**I**) would fund the same proportion (**k**) of expenditure needs (**E**) across all councils.

Expenditure need is calculated as the total assessed expenditure on services, roads and the actual expenditure on a range of functions referred to as 'effort positive' functions.

The revenue-raising capacity of each council is calculated as the total of assessed rates, assessed other revenue and effort-positive revenue.

In determining the grant for each council other grant contributions from the Commonwealth and State are taken into account as revenue.

The major inclusion for all councils is the Commonwealth's identified road grant. The Queensland Local Government Grants Commission takes 70 per cent of this grant revenue into account. It is discounted to 70 per cent as the grant revenue can be expended on functions excluded by the Grants Commission in calculating the fiscal equalisation grant, namely water and sewerage. It is estimated that,

on average, 30 per cent of council expenditure is on water and sewerage.

The other source of grant revenue taken into account is the State and Commonwealth operating subsidies received by Aboriginal and Torres Strait Island councils. Sixty-seven per cent of this grant revenue is taken into account. It is discounted as the grant revenue is able to be expended on excluded functions, such as water and sewerage, and other functions, such as police services, which are not supplied by the non Aboriginal and Island councils.

Identified road component

In 2000–01 the identified road component was distributed between local governing bodies on the following basis:

- 62.85 per cent in proportion to road length (\$332.64 per kilometre); and
- 37.15 per cent in proportion to population (\$8.05 per capita).

Principles

National Principles

The National Principles relating to allocation of general purpose grants payable under section 9 of the *Local Government (Financial Assistance) Act 1995* are at Appendix A.

Transitional modification of National Principles

Modification principle

Queensland was given an extension to phase-in significant grant distribution effects resulting from implementing the National Principles, in force under section 6 of the *Local Government (Financial Assistance) Act 1995*.

The phase-in arrangements are to accord with the agreement the Commonwealth and Queensland Ministers for Local Government

entered into. The relevant phase-in conditions of that agreement are detailed below.

- For any Aboriginal and Torres Strait local governing body, the actual payment of grants in 2000–01 is not less than the actual payment made to that local governing body in 1999–2000.
- For any local governing body, other than an Aboriginal and Torres Strait local governing body, the actual payment of grants in 2000–01 does not reduce by an amount in excess of 15 per cent the actual payment made to that local governing body in 1994–95.
- The actual payment of grants to any local governing body, other than an Aboriginal and Torres Strait local governing body, in 2000–01 is not less than 95 per cent of the actual payment received by that local governing body in 1999–2000.
- An actual payment to a local governing body refers to the payment of allocations after any adjustments under sections 10 and 13 of the Act is to be taken into account.
- The National Principles, save as modified by this determination, apply to Queensland.

Formulae

Fiscal equalisation component

In the equations the following codes are used:

- TRP** = Total number of rateable properties
- GVRP** = Gross value of rural production (averaged over five years)
- PI** = Personal income of all residents of a local governing body area (1996 Census data adjusted for taxable income)
- RRTS** = Residual retail turnover sales (the difference between the retail sales turnover in a local governing body area and that local governing body's urban personal income multiplied

by the average state retail sales per state urban personal income, and adjusted for taxable income)

- UCV = Unimproved capital value
 POP = Population
 KR = Kilometres of total local road

Revenue

Rate-raising capacity

$$\begin{aligned} \text{Total rates } \$ = & 24.896 \times \text{TRP} + 0.01263558 \\ & \times \text{GVRP} + 0.01473695 \times \text{PI} \\ & + 0.00458692 \times \text{RRTS} \\ & + 0.00214283 \times \text{UCV} \\ & \text{(local governments)} \end{aligned}$$

Total rates \$ = 0.00 (Aboriginal and Torres Strait Islander councils)

Fees

Fees and charges \$ = 134.76 × POP

Effort positive charges

Parking Fines and Fees	}	\$ =	Effort Positive (actual revenue)
Aerodrome			
Other Transport			

Expenditure

Services

Current and capital \$ = 868 346 + 307.44 × POP
 (local governments)

Current and capital \$ = 810.32 × POP
 (Aboriginal and Torres Strait Islander councils)

Roads

Current and capital \$ = 3 196.83 × KR

Effort positive

Includes:

- aerodromes
- other transport
- agricultural and forestry
- urban storm water drainage
- parking

Current and capital \$ = effort positive (actual expenditure)

Other expenditure not elsewhere included

Current and capital are treated as an overhead and apportioned on a pro rata basis of total assessed expenditure needs of other functions.

Inclusions

The Commission treats the following items as inclusions.

- 70 per cent of the year under review's identified road component.
- 67 per cent of the Aboriginal and Torres Strait Islander councils' operating grant received from the Queensland Department of Aboriginal and Torres Strait Islander Policy and Development.

Identified road component

In 2000-01 the identified road component was distributed between local governing bodies on the following basis:

62.85 per cent in proportion to road length (\$332.64 per kilometre); and

37.15 per cent in proportion to population (\$8.05 per capita).

Table B.1: Fiscal equalisation formula

Grant = x% expenditure – revenue – inclusions			
Revenue	Grant	x%	Expenditure
Assessed rates \$24.896 × rateable properties + \$0.01263558 × gross value rural production + \$0.01473695 × personal income + \$0.00458692 × residual retail sales + \$0.00214283 × unimproved capital value +	The calculated grant	Funding rate	Assessed non-road services (\$868,346 + (\$307.44 × population)) × disability factor (local governments) or (\$810.32 × population) × disability factor (Aboriginal Torres Strait Islander councils) +
Assessed charges \$134.76 × Population +			Assessed roads \$3,196.83 × km × road disability factor +
Effort positive charges (actual) + 70% identified road grant + 67% ATASIC operating grant			Effort positive expenditure (actual) + Special disability factors (actual)

x% = Same rate applied to each council except those councils which receive the per capita minimum grant

ATASIC = Aboriginal and Torres Strait Islander Commission

Changes to methodology from previous year

This year the Commission introduced budgetary stability and interstate consistency moderations to its basic methodology. The latter included a graduated cap (rather than the flat percentage used in 1998–99). During the year the Commission completed a review of the ‘asset preservation’ based road network factor. The State Office of Economic and Statistical Research was also briefed to examine new regression equations for rate revenue, and services expenditure.

With the current review of the *Local Government (Financial Assistance) Act 1995*, which could introduce basic changes to grants methodologies, the Commission decided that two changes in grant outcomes within a year or so were undesirable. In making its recommendations therefore it:

- retained the current regression equations rather than changing to new ones, and
- phased in the new road network factors over two years – the recommendations for 2000–01

therefore use a mean of the old and new factors.

Western Australia

The Western Australian Local Government Grants Commission uses a balanced budget method for allocating the general purpose funds, and an asset preservation model for allocating the identified local road funding component.

It is the Commission’s task to equalise the capacity of all local governments in Western Australia to provide services and facilities at an average standard, by allocating the Commonwealth financial assistance funds on a full horizontal equalisation basis.

The balanced budget method involves assessing the revenue-raising capacity (five categories) and the expenditure needs (eight categories) of each local government. The equalisation requirement of each local government is calculated by subtracting the assessed revenue from assessed

expenditure. Local governments receive grants proportional to their share of the State total equalisation requirement, subject to the minimum grant provision.

In the 2000–01 determinations, there were 24 local governments receiving the minimum grant entitlement (the same number as in the previous year).

Detailed below is a list of refinements that have been made to grant calculation methods as a result of local government submissions and the Commission's on-going research programme.

Changes in population

The Commission has used the latest (30 June 1999) Australian Bureau of Statistics estimated resident population estimates (Cat. No. 3234.5) to calculate standards. Some 57 local governments showed a decline in population on the previous year.

Grant capping

The 2000–01 grants are based on a five-year average of 'preliminary equalisation requirement' of local governments. This is a change to last year's assessments, which were based on a four-year average of equalisation requirements. The Commission believes use of a five-year average provides more stability in grant outcomes.

The Commission considered a submission from the City of Albany for an extension to the period of grant level maintenance following the amalgamation of the former Town and Shire local governments. The Commission accepted the City's submission and maintained the City's grant at the pre-amalgamation level for a further year.

Maximum reduction

In reviewing the grant allocations derived from the final model, the Commission decided to apply a maximum decrease of 15.72 per cent. The effect of applying this limit was to lessen

the reduction to be experienced by two local governments – the Shires of Busselton and Williams.

Revenue standards

The Commission adopted revenue standards for residential and commercial/industrial rates, agricultural rates, pastoral rates, mining rates and extraordinary revenue, as well as building control charges and recreation and culture charges, consistent with previous years.

Some adjustment was made to the gross rental values used for Ashburton, Exmouth and Moora to recognise the impact of cyclones Elaine and Vance on revenue capacity.

Agricultural rates

There was a significant increase in the per assessment component to the equation, from \$127 to \$232 per assessment. This increase means the equation better reflects the greater income capacity of local governments with a large number of small lots. The final equation adopted by the Commission includes the per assessment component of \$232, as well as components for valuation and agricultural area (hectares).

Mining rates

Valuation data has been obtained from the Valuer-General for the first time. Data on tenements was previously sourced from the Department of Minerals and Energy.

Expenditure standards

There were two significant changes in the methods of calculating the expenditure standards compared to previous years.

Expenditure net of disabilities

Last year the Commission 'netted out' the value of the disability allowances from the total governance expenditure for each local government before calculating this standard. If this is not

Table B.2: Equations used to calculate revenue and expenditure standards

REVENUE STANDARDS**RESIDENTIAL AND COMMERCIAL/INDUSTRIAL RATES**

$$\text{Standard} = [(\$0.061277 \times \text{RCIVAL99}) + (\$106.19 \times \text{RCINASS7})]$$

RCIVAL99: Equalised gross rental values, 1996–97 to 1998–99

RCINASS7: Number of rateable assessments provided in 1997–98 information return

MINING RATES

$$\text{Standard} = (\$65.32 \times \text{Tlease 968}) + (0.0791 \times \text{MINVAL968}) \text{ for Category 1 councils.}$$

$$\text{Standard} = (\$124.65 \times \text{Tlease 968}) + (0.0337 \times \text{MINVAL968}) \text{ for Category 2 councils.}$$

$$\text{Standard} = \$0 \text{ for Category 3 councils.}$$

TLEAS968: Total number of mining leases, 1996–97 to 1998–99

MINVL968: Total unimproved mining valuations, 1996–97 to 1998–99

AGRICULTURAL RATES

$$\text{Standard} = [(0.001258 \times \text{TVAL968}) + (\$1.28 \times \text{VGAREA}) + (231.61 \text{ per asmt})] \times 1.131$$

TVAL968: Total average valuations of agricultural areas, 1996–97 to 1998–99

VGAREA: Total average agricultural area in hectares, 1996 to 1998

PASTORAL RATES

$$\text{Standard} = 0.078641 \times \text{pastoral valuations 1997–98 to 1998–99}$$

EXTRAORDINARY REVENUE

$$\text{Standard} = \text{Individual assessments}$$

EXPENDITURE STANDARDS**GENERAL GOVERNANCE (ADMINISTRATION)**

$$\text{Standard} = \$28.80 \text{ per rate assessment} + \$41.17 \text{ per adjusted population} + \$95,866$$

ADJPOP99: Service population (population + net additional employment) 1999

LAW, ORDER AND PUBLIC SAFETY

$$\text{Standard} = \text{WAFRS levy} + (8.84 \times \text{dwell97}) + (5.84 \times \text{Pop99}) \text{ for Category 1 – fully WAFRS protected councils}$$

$$\text{Standard} = \text{WAFRS levy} + (\$190.69 \times \text{dwell97}) + (\$111.33 \times \text{Pop99}) \text{ for Category 2 – PCC}$$

$$\text{Standard} = \text{WAFRS levy} + (125.52 \times \text{dwellings outside WAFRS}) + (5.70 \times \text{Pop99}) \text{ for Category 3 – metropolitan fringe councils}$$

$$\text{Standard} = (21.24 \times \text{dwellings outside WAFRS}) + (10.58 \times \text{Pop99}) \text{ for Category 4 – all other councils}$$

DWELL97: Number of dwellings, 30 June 1997

POP99: Population 1999

EDUCATION, HEALTH AND WELFARE

$$\text{Standard} = \$30.11 \times \text{Pop99, and SPG Factor 0.47}$$

POP99: Population 1999

COMMUNITY AMENITIES

Standard = $\$16.23 \times \text{ADJPOP99} \times \text{SPG Factor } 0.99$

ADJPOP99: Service population (population + net additional employment) 1999

RECREATION AND CULTURE CHARGES

Standard = $[\$50.55 \times \text{ADJPOP} + 194.61 \times \text{dwell} + \$72,108] \times 1.116$

Standard = $\$36.47 \times \text{ADJPOP99}$

ADJPOP99: Service population (population + net additional employment) 1999

BUILDING CONTROL CHARGES

Standard = $(23.93 \times \text{SIZE98}) + (3.67 \times \text{VTBLD968})$

Standard = $4.72 \times \text{VTBLD968} \quad \text{SIZE98: } [(10.1 \times \text{BAILS98}) + \text{DWELL97}]/2$

VTBLD968: Total value of building activity, 1996–97 to 19978–99

BAILS98: Number of business and industrial locations 1998

DWELL97: Number of dwellings, 30 June 1997

TRANSPORT

Standard = $1.5 \times \text{1995–96 expenditure standard} + 3.5 \times \text{calculated standard}$

1995–96 standard: Expenditure standard 1995–96

Calculated standard: Calculated standard 2000–01

done, the State total assessed expenditure, after disability allowances have been provided, can be about 10 per cent more than the actual expenditure. Under the 'netting out the disabilities' approach, when the disability factors are added later in the balanced budget, the total assessed expenditure will be close to the total actual expenditure. This also avoids the complication of calculating the standard on the actual expenditures, which are heavily affected by disability factors.

This approach was extended this year to the education, health and welfare, community amenities and recreation and culture standards.

One effect of this approach is to reduce the overall assessed expenditure needs in the State, as well as increase the final 'factor back' ratio.

Use of a dwellings/rate assessments indicator

Most of the Commission's expenditure standards have traditionally been calculated on a population (or adjusted population) basis. A number of submissions were made by local governments arguing that the Commission should consider other dwelling and property statistics when calculating standards. Following consideration of this request the Commission adopted an equation for governance which included a per assessment component and an equation for recreation and culture which included a per dwelling component. Both equations still include a weighting for (adjusted) population and a constant.

The effect of this change was to increase the assessments for local governments with relatively large numbers of dwellings or rate assessments, in particular those areas with holiday homes and hobby farms, which had submitted to the

Commission that their overall expenditure needs had been under-assessed because of the Commission's reliance on population statistics.

Transport

As in previous years, transport needs were calculated for each local government by adding non-road expenditure items (footpaths, street lighting, laneways and aerodromes) to road preservation needs obtained from the asset preservation model.

The calculated transport standard would result in many large changes in grants. To cushion these changes, the phase-in arrangement, started in 1996–97, has been continued. The assessed expenditure standard for 2000–01 will be made up of 0.3 of the 1995–96 transport standard and 0.7 of the calculated 2000–01 transport standard.

Disability factors

Once again, a broad range of disability factors have been applied. A number of factors have been updated to reflect more current information (eg development and heritage factor). Major changes included revisions to the application of the location and population dispersion factor.

Location factor

The Commission has discontinued its use of the location factor to calculate an adjusted standard. Last year, the Commission applied the location factor in the same way as all other factors to all expenditure standards except governance. They were multiplied by the preliminary standard. This year the change was extended to governance, and this effectively removed the compounding effect of location on other factors.

This had the effect of reducing the disability allowances for all local governments with a location factor, but this was compensated for by the increases in the location factor arising from the recent review of the factor.

Tourism factor

The Commission has been considering the deletion of the tourism disability factor for some time. The Commission advised local governments of this possibility and invited comments on the issue, however the number of comments received was disappointing.

In light of the inclusion of a per-dwelling component in the recreation and culture expenditure assessment, the Commission decided to delete the tourism factor from that category only. The issue will be kept under review for the 2001–02 determinations.

Environment issues

The salinity allowance has been increased to recognise the 28 local governments in the Rural Towns Programme. An extra environmental allowance has also been provided to the three Shires affected by the Regional Forest Agreement.

The Commission plans to undertake a thorough review of all environment related disabilities for the 2001–02 determinations.

Local road funding

Under the current principles, 7 per cent of Federal funds is allocated for special projects (one-third for roads serving Aboriginal communities and two-thirds for major bridge works). The remaining 93 per cent is distributed according to the asset preservation model. The amounts involved are:

Roads serving Aboriginal communities	\$1,449,794
Bridges	\$2,899,589
Amount for distribution	\$57,718,947
Total	\$62,068,330

Special projects – roads serving Aboriginal communities

The Commission is advised by the Aboriginal Roads Committee which comprises representatives from the Western Australian Municipal Association, Main Roads Western Australia, Aboriginal Affairs Planning Authority, the Aboriginal and Torres Strait Islander Commission and the Department of Local Government. The aim of the Committee is to ensure that funds are allocated in accordance with the needs of Aboriginal communities.

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

Special projects – bridges

The Commission allocates these funds in accordance with recommendations from Main Roads, which has specialised expertise in the management of bridges. Main Roads assesses proposals submitted by local governments using bridge condition reports and a bridge management programme. The recommendations are based on the priority of bridge maintenance needs.

Distribution of the 93 per cent component

These funds are distributed in accordance with road preservation needs determined by the Commission's asset preservation model. The model assesses the average annual cost of maintaining each local government's road network and has the facility to equalise road standards through the application of minimum standards. These standards help local governments that have not been able to develop

their road systems to the same standard as more affluent local governments.

New asset preservation needs have been determined using updated road data. The principles of the asset preservation model, such as minimum standards and reconstruction standards, have been retained. Road lengths were generally similar to those used in 1999–2000, though a few local governments have updated their road statistics resulting in increased asset preservation needs.

While most local governments received increased grants, those that received increases of 10 per cent or more were due to increases in road statistics. Only three local governments received decreases, the maximum being by 4 per cent.

South Australia

Methods – general purpose component

The methodology used to assess the general purpose component of the local government financial assistance grants is intended to achieve an allocation of grants to local governing bodies in the State consistent with the National Principles. The over-riding principle is one of horizontal fiscal equalisation, which is constrained by a requirement that each local governing body must receive a minimum entitlement per head of population as prescribed in the Commonwealth legislation.

The South Australian Local Government Grants Commission uses a direct assessment approach to the calculations. This involves the separate estimation of a component revenue grant and a component expenditure grant for each council, which are aggregated to determine each council's overall equalisation need. Available funds are distributed in accordance with the relativities established through this process and adjustments are made as necessary to ensure the per capita minimum entitlement is met for each council. For local governing bodies outside the

incorporated areas (the Outback Areas Community Development Trust and five Aboriginal communities) allocations are made on a per capita basis.

Under the new methodology a standard formula is used as a basis for both the revenue and expenditure component grants. See explanation of formulae below.

Component revenue grants

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

The Commission estimates each council's component revenue grant by applying the State average rate in the dollar to the difference between the council's improved capital values per capita and those for the State as a whole, and multiplying this by the council's population. The State average rate in the dollar is the ratio of total rate revenue to total improved capital values of rateable property. The result shows how much less (or more) rate revenue a council would be able to raise than the average for the State as a whole if it applied the State average rate in the dollar to the capital values of its rateable properties. This calculation is repeated for each of five land use categories, namely;

- residential;
- commercial;
- industrial;
- rural; and
- other.

To overcome fluctuations in the base data, valuations, rate revenue and population are averaged over three years.

Subsidies

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

Component expenditure grants

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

The new methodology compares each council against the State average situation for each function. To enable the comparison to be consistent and to compare like with like, all comparisons are made on a per capita basis.

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

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

expenditure grant for the function. As already indicated, this grant can be positive, negative or zero.

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

Aggregated revenue and expenditure grants

Component grants for all revenue categories and expenditure functions, calculated for each council using the method outlined above, are aggregated to give each council's total raw grant figure. Where the raw grant calculation per head of population for a council is less than the per capita minimum established as set out in the Act, (\$14.41 for 2000–01), the grant is adjusted to bring it up to the per capita minimum entitlement. The balance of the allocated amount, less allocations to other local governing bodies outside the incorporated areas, is then apportioned to the remaining councils based on their calculated proportion of the raw grant. Commission-determined limits may then be applied to minimise the impact on council's budgetary processes. (For 2000–01, no council's grant changed by more than –10 per cent or +20 per cent from the previous year's actual allocation.) An iterative process is then undertaken until the full allocation is determined.

Methods – Identified local road grants

In South Australia, the identified local road grants pool is divided into formula grants (85 per cent) and special local road grants (15 per cent).

The formula component is divided between metropolitan and non-metropolitan councils on the basis of an equal weighting of road length and population.

In the metropolitan area, allocations to individual councils are determined again by an equal weighting of population and road length. In the non-metropolitan area, allocations are made on an equal weighting of population, road length, and area of council.

Distribution of the special local road grants is based on recommendations from the Local Roads Advisory Committee. This Committee is responsible for assessing submissions from regional associations on local road projects of regional significance.

Methods – Outback Areas Community Development Trust

The Outback Areas Community Development Trust is prescribed as a local governing body for the purposes of the Grants Commission's recommendations.

The Trust was established in May 1978 under legislation of the South Australian Parliament. It has a broad responsibility for community development activities in the outback areas of the State and with particular emphasis on those functions that are at present normally undertaken by local councils elsewhere in the State.

Due to the lack of comparable data, the Commission is not able to calculate the grant to the Trust in the same manner as grants to other local governing bodies. Rather, a per capita grant has been established. The 2000–01 per capita grant was \$150.00.

Methods – Aboriginal communities

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

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

Again, due to the unavailability of data, grants for these communities are not calculated in the same manner as grants to other local governing bodies. The Commission utilised the services of a consultant, Alan Morton, of Morton Consulting Services, who undertook a study on the expenditure needs of the communities and their revenue-raising capacities. Comparisons were made with communities in other states and a per capita grant was established. For 2000–01 the per capita grant varied from \$220 for Gerard to \$300 for Anangu Pitjantjatjara and Maralinga Tjarutja.

Formulae

General financial assistance

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

$$G = Pc \times S \times \left[\left(\frac{Us}{Ps} \times CRI_s \right) - \left(\frac{Uc}{Pc} \times CRI_c \right) \right]$$

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

$$G = Pc \times S \times \left[\left(\frac{Uc}{Pc} \times CRI_c \right) - \left(\frac{Us}{Ps} \times CRI_s \right) \right]$$

where:

G = council's calculated relative need assessment

P = population

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

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

CRI = Cost Relativity Index (previously known as the disability factor). They are centred around 1.00, ie CRIs equals 1.00. If more than one CRI exists for any function then they are multiplied together to give an overall CRI for that function.

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

Currently in all calculations, with the exception of stormwater, there are no disability factors applied and consequently, $CRI_c = 1.0$.

The raw grants, calculated for all functions using the above formulae, both on the revenue and expenditure sides, are then totalled to give each council's total raw grant figure. Any council whose raw calculation per head is less than the per capita figure, (\$14.41 for 2000–01), then has the per capita figure applied. The balance of the allocated amount is then apportioned to the remaining councils based on their calculated proportion of the raw grant. Commission-determined limits are then applied to minimise the impact on council's budgetary processes. (For 2000–01, no council's grant changed by more than –10 per cent or +20 per cent from the previous year's actual allocation.) An iterative process is then undertaken until the full allocation is determined.

Table B.3 details the approach taken to expenditure functions included in the new methodology.

Table B.3: Treatment of expenditure functions

Expenditure function	Standard cost	Units of measure
Subsidised services – public buses	Set at 1.00.	Derived from the level of State subsidy received by each council ¹
Subsidised services – animal and plant control	Set at 1.00	Derived from the level of council contributions to Animal and Plant Control Boards ²
Garbage	Reported expenditures ³	Number of residential properties
Aged care services	Reported expenditures ³	Population aged 65+ per Australian Bureau of Statistics Census and estimated resident population
Services to families and children	Reported expenditures ³	Population aged 0–4 years per Australian Bureau of Statistics Census and estimated resident population
Health inspection	Reported expenditures ³	Sum [3 × establishments to inspect, 1 × registered nursing homes, hospitals and hostels, and 1.5 × number of sub-standard dwellings]
Subsidised services – libraries	Set at 1.00.	Derived from the level of State grant received by each council ⁴
Sport, recreation and culture – active	Reported expenditures ³	Population aged 5–24 years per Australian Bureau of Statistics Census and estimated resident population
Sealed roads – urban	Reported expenditures ³	Kilometres of built-up sealed road as reported in the General Information Return
Sealed roads – non-urban	Reported expenditures ³	Kilometres of non-built-up sealed road as reported in the General Information Return
Unsealed roads – urban	Reported expenditures ³	Kilometres of built-up unsealed road as reported in the General Information Return
Unsealed roads – non-urban	Reported expenditures ³	Kilometres of non-built-up unsealed road as reported in the General Information Return
Unformed roads – unformed	Reported expenditures ³	Kilometres of unformed road as reported in the General Information Return
Stormwater construction ^{5, 6}	Reported expenditures ³	Number of urban properties ⁷
Stormwater maintenance ^{5, 6}	Reported expenditures ³	Number of urban properties ⁷
Emergency services	Reported expenditures ³	Total number of properties
Planning and building control	Reported expenditures ³	Number of new developments and additions
Other needs assessments	Set at 1.00.	Based on Commission-determined relative expenditure needs in a number of areas ⁸

Notes:

- 1 The unit of measure or standardised expense is derived as the product of the council subsidy for each council and the average ratio of council expenditures (net of revenue) to State subsidies, for all councils having subsidised bus services.
- 2 The unit of measure or standardised expense is taken as each council's contribution to the operation of Animal and Plant Control Boards.
- 3 Councils expenditures reported on Australian Bureau of Statistics returns.
- 4 The unit of measure or standardised expense is derived as the product of the council grant for each council and the average ratio of council expenditures (net of revenue) to State grants, for all councils.
- 5 Includes both construction and maintenance activities.
- 6 The Commission has also decided, for these functions, to use CRIs based on the results of a previous consultancy by BC Tonkin and Associates.
- 7 Urban properties = sum [residential properties, commercial properties, industrial properties, exempt residential properties, exempt commercial properties, exempt industrial properties].
- 8 Comprises Commission-determined relative expenditure needs with respect to: Non-resident use/tourism; Duplication of facilities; Isolation/distance; Needs of councils with respect to Aboriginal communities; Socioeconomic aspects; and Other special needs of councils

Table B.4: Summary of standards by function

Function	Standard in dollars	Unit of measure per capita	Total units of measure	Unit of measure
Expenditure functions				
Subsidised services – public buses	1.00	0.74141	1,095,996	Standardised expense
Subsidised services – animal and plant control	1.00	1.44995	2,143,408	Expenditure from Animal and Plant Control Board
Garbage	78.71	0.39314	581,171	Number of residential properties
Aged care services	42.75	0.13880	205,184	Population aged more than 65
Services to families and children	30.77	0.06691	989,170	Population aged 0–4
Health inspection	42.80	0.08042	118,881	3 × establishments to inspect + 1 × hospitals, registered nursing homes, rest homes and hostels + 1.5 × sub-standard dwellings
Subsidised services – libraries	1.00	18.32186	27,084,531	Standardised expense
Sport, recreation and culture	156.28	0.27579	407,688	Population aged 5–24
Sealed roads – urban	9 756.76	0.00657	9,707	Kilometres of sealed builtup
Sealed roads – non-urban	4 450.54	0.00379	5,599	Kilometres of sealed non-builtup
Unsealed roads – urban	781.29	0.00063	924	Kilometres of formed and surfaced, and natural surface formed builtup
Unsealed roads – non-urban	545.96	0.03261	48,212	Kilometres of formed and surfaced, and natural surface formed non-builtup
Roads – unformed	68.27	0.00600	8,869	Kilometres of natural surfaced unformed
Stormwater drainage – construction	21.68	0.42523	628,596	Number of urban, industrial and commercial properties including exempt
Stormwater drainage – maintenance	8.66	0.42523	628,596	Number of urban, industrial and commercial properties including exempt
Emergency services	16.62	0.53718	794,090	Total number of properties
Planning and building control	440.30	0.02447	36,166	Number of new developments and additions
Revenue Functions				
Rates – residential	0.0049	42 397	62,673,417,658	Valuation of residential
Rates – commercial	0.0079	6 632	9,803,108,565	Valuation of commercial
Rates – industrial	0.0096	1 220	1,804,011,085	Valuation of industrial
Rates – rural	0.0039	8 591	12,700,017,383	Valuation of rural
Rates – other	0.0042	2 810	4,153,273,079	Valuation of other
Subsidies	1.00	19.52712	28,866,220	The total of the subsidies

Note: Total population = 1,493,074

The Commission is aware that there are many factors that may influence a council's expenditure and that it is not always possible to determine objectively the extent to which a council's expenditure is affected by inherent or special factors. Therefore, in determining units of measure and cost relativity indices, the Commission must exercise its judgement based on experience, the evidence submitted to the Commission, and the knowledge gained by the Commission during visits to council areas and as a result of discussions with elected members and staff.

Table B.4 enables a council to calculate its raw grant for each of the given functions. To do this the council must calculate its own unit of measure per capita, compare it with the similar figure from the table and then multiply the difference by the standard from the table and its own population. If CRIs are applicable they must be included as a multiplier against the council's unit of measure per capita. (CRIs are currently only used in the roads and stormwater functions. Further CRIs will be developed over time.)

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

Methodology update

Road length audit – Geographical Information System mapping

During 1999–2000, the Commission sought the assistance of consultants, PPK Environment and Infrastructure Pty Ltd, to audit council's road lengths by mapping all local roads across the State into a Geographical Information System (GIS). This consistently mapped framework provided a firm foundation for future work.

Early in 2001 the Commission engaged the services of an engineer, on a part-time basis, to refine the road length data (following updates supplied to the Commission by councils) and address other ongoing engineering-related concerns.

The CRIs developed previously to reflect the difference between councils of the cost of re-constructing and maintaining roads were re-run, to ensure the factors reflected the revised road lengths.

The outcome of revising the road length data was that:

- no general trends were identified through the introduction of the revised road lengths. The adjustments were on an individual council basis; and
- the revised CRIs resulted in a greater recognition of council's with very poor soils.

Tasmania

General purpose grant distribution

The Commission's equalisation model is based on the 'balanced budget' approach. That is, each local governing body's grant entitlement is derived from the difference between:

- the expenditure 'required' to provide a common range of services, given its unique cost conditions (standardised expenditure); and
- revenue that could be raised by applying a standard or average rate per dollar of assessed annual values to all rateable property in that local governing body (standardised revenue), plus
- specific purpose payments received that are treated by the 'inclusion' approach.

The difference between standardised expenditure and standardised revenue is the 'standardised deficit'. This becomes the net standardised deficit after adjustment for specific purpose payments

and any special allowances. It should be noted that the total net standardised deficit normally exceeds the total of grant funds available. Accordingly, the final step in determining grant entitlements is to proportionately adjust the individual net standardised deficits to account for the shortfall.

Specific purpose payments are treated by either the 'inclusion' or 'deduction' approach. The 'inclusion' approach recognises funds received by councils as contributing to normal expenditure for the purpose of calculating expenditure standards. They are treated as a source of revenue and subsequently deducted from a municipality's standardised deficit. Using the 'deduction' approach, funds are excluded from expenditure and revenue data prior to the determination of expenditure standards. The deduction approach is employed where:

- a council is effectively acting as an agent of the State or Commonwealth Governments and the specific purpose payment is a reimbursement of costs incurred; or
- grants for a particular service are received by only a relatively small number of councils, and the service is generally provided only where grants are received.

Equalisation therefore occurs on the basis of 'net' expenditures where this particular approach to the treatment of specific purpose payments is adopted.

No matter how sophisticated the Commission's methodology might become, there is always the need for the Commission to exercise broad judgement as it considers the many and varied issues which confront it each year as it goes about its task of assessing grants.

A full explanation of the operation of the model is provided in the following paragraphs.

Calculating standardised revenue

A council's revenue-raising capacity, or standardised revenue, is determined by multiplying the rateable assessed annual value (AAV) of properties in the municipality by the average rate charged across the State. The Commission uses AAV data, adjustment factors and exempt AAV information supplied by the Office of the Valuer-General, and rate and water sales revenue information contained in the Australian Bureau of Statistics local government finance statistics. An adjustment is made to account for the value of properties which are partially exempt from rates, that is, liable for service charges only.

The rateable AAV for each council is determined and then adjusted using the Valuer-General's adjustment factors so that all figures are expressed in terms of a common valuation year. Total adjusted rateable AAV for the State is divided by the total rate revenue raised by all councils (which now also includes all revenues derived from the sale of water, including charges levied on a consumption basis) to yield a State average rate in the dollar. Standardised revenue for each council is then the product of its adjusted rateable AAV and the State average rate levied per dollar of AAV. The final standardised revenue for each council used in the base grant assessments is the relevant three-year averaged standardised revenue.

Calculating standardised expenditure

In general, the cost of providing council services varies depending upon the number of residents. Therefore, to determine the standard expenditure that is 'required' to provide a service, the Commission multiplies the State average expenditure per person by the number of residents in each municipality.

Many councils face a range of unavoidable cost pressures in providing services. This means they cannot provide a service at the standard level of expenditure. This is recognised by the Commission through the application of council-specific disability factors, which represent these unavoidable cost pressures, to standard expenditure to determine the standardised expenditure for each council. This method of estimating standardised expenditure is applied to all expenditure categories except the road category.

The Commission uses a modified version of the Mulholland asset preservation model to assess standardised road expenditure, based on each councils' road assets. The fundamental basis of the Mulholland asset preservation model is that, in statistical terms, a kilometre of road has an 'expected life', assuming it is appropriately constructed and maintained. At the end of this period, it will require re-construction followed by a new cycle of maintenance and rehabilitation in order to preserve it at an acceptable standard. The 'expected life', or durability, of a kilometre of road maintenance work will clearly differ depending upon both the type of activity (sealing, re-grading) and the type of road (urban sealed, urban unsealed, rural sealed, rural unsealed) involved. Similar arguments hold with respect to both road rehabilitation and road re-construction work.

Performance standards specify, for each road type, the length of road requiring re-construction, re-grading or re-sealing each year in order to preserve the existing road asset. For example, if the seal on a 9 km stretch of road has an expected life of 30 years, then, on average, 300 m will need to be sealed each year to maintain the road at the current standard. In this case, the performance standard is approximately 0.03, or 3 per cent. Average costs per kilometre for each road type and activity combination have been derived from published unit price estimates

for the same undertakings. For any given council, specific disabilities may increase or decrease the average cost of undertaking a given activity.

The model recognises 'climate', 'drainage', 'material', 'soil', 'terrain', and 'traffic' disabilities in road rehabilitation and re-construction, and 'climate', 'material', 'terrain' and 'traffic' disabilities in road maintenance. The need for different sub-base depths (re-construction only) is incorporated within the workings of the model. Reflecting the conclusions of an extensive review, the model now also recognises a 'remoteness' disability factor, and an 'urbanisation' disability adjustment for all activities. These are intended to capture elements of expenditure disabilities not otherwise accounted for in the model, and apply to a minority of councils only.

The model also makes an allowance for additional bridge-related maintenance, by converting bridge areas to equivalent road lengths (which involves multiplication by 10 to recognise the greater cost per equivalent area) and adding these lengths to the road lengths used in the model.

Hence in assessing 'road' expenditure needs for a given council, performance standards are applied to each category of road (urban sealed, urban unsealed, rural sealed, rural unsealed) to determine the length of road to be maintained, rehabilitated and reconstructed in that year in order to preserve the existing road structure. The relevant disability factors and costs per kilometre are then applied to each of these figures and the whole is summed to yield standardised 'road' expenditure for that council.

An explanation of the types of expenditure that comprise each expenditure function is set out in table B.5.

Table B.5: Description of expenditure functions

Expenditure function	Explanation of expenditure function
General administration	Legislative, executive, financial and fiscal affairs relating to general purposes only, ie not solely related to any one of the purposes listed below.
Health, housing and welfare	Nursing homes and other services for the aged, community health services, health inspections; family and child welfare; housing services.
Sanitation and the environment	Household and other garbage services, urban storm water drainage, street cleaning, flood mitigation and other protection of the environment.
Planning and community amenities	Planning and building services, street lighting, public conveniences, shopping malls, cemeteries and crematoria.
Recreation and culture	Public halls and civic centres, swimming pools, parks and playing grounds, sports assistance and promotion; libraries and other cultural services.
Water	Provision of water services.
Sewerage	Provision of sewerage services.
Roads	Re-construction and maintenance of roads and bridges.
Public safety	Fire protection, animal control and other public order and control.
Other	Expenditure on items not elsewhere classified. Includes saleyards and markets, tourism and area promotion, aerodrome operations, communications, and natural disaster relief.

Application of council-specific disability factors

Disability factors are used to reflect unavoidable relative cost disadvantages councils face in providing services. A range of factors have been developed to account for differences between councils in the demand for a service as well as variations in the per unit cost of supplying that service.

A factor is calculated for each municipality by comparing its demand or supply disadvantage with the State average. The councils which demonstrate the least relative disadvantage for the class of disability concerned are assigned a minimum factor of 1.00. All other councils are compared to those councils on the minimum to determine their relative disability factors.

The Commission has carefully considered the following disability factors and adopted a method to quantify them:

- Scale
- Population dispersion
- Isolation
- Regional responsibility
- Population growth
- Population decline
- Worker influx
- Absentee population
- Unemployment
- Age profile
- Tourism
- Day-trippers
- Climate
- Equivalent tenements

An outline of the approach the Commission developed to quantify each factor is provided below. The ‘climate’ disability factor is not specifically dealt with as the Commission continues to use broad judgement in determining this factor.

Scale

The scale disability accounts for the diseconomies of small scale that councils face in providing some services. Diseconomies occur where the cost per person of a certain activity is greater for councils with a small population than for those with larger ones. For example, each council requires a general manager whether the municipal population is 1,000 or 100,000. The cost per person of the general manager is therefore much greater for smaller councils than for larger ones.

Different expenditure categories show varying degrees of diseconomy, so three scale categories have been developed – high, medium and low. The application of these to the different expenditure categories is detailed in table B.6.

Population dispersion

The dispersion disability relates to the additional costs incurred in servicing a widely scattered population within a municipality. The Commission recognises that associated costs arise from the need to both duplicate services and incur greater travelling and communication costs than would otherwise be the case.

This disability factor is determined according to the total area of the municipality relative to population (population density), the number of population centres (for which a minimum level of service is provided), and the total road length within the municipality.

Isolation

This factor recognises the increased costs which arise from geographical isolation. Such costs are associated with attracting staff to remote areas,

communicating with relevant bodies, travelling and the supply of necessary construction and maintenance materials.

This disability factor is calculated according to the distance between a municipality’s main centre and the closest major regional population centre, and the distance from Hobart, the main administrative and political focus within the State.

Regional responsibility

The Commission recognises a disability for those authorities (host municipalities) which provide particular services for the residents of surrounding municipalities, without there being a counter-balancing use of services in surrounding municipalities by residents of the regional centre, or any offsetting cash contribution for the use of those facilities.

The Commission recognises the fact that certain towns and cities throughout the State act as regional focal points for provision of some services. The expenditure categories which cover these services are general administration, planning and community amenities and recreation and culture.

Assessing the extent to which responsibilities are exercised involves making use of a regression equation to predict the relationship between the population served and the level of expenditure. The resulting equation is used to estimate the population which, on average, could be effectively serviced by the particular level of expenditure by a municipality. The disability factor is then calculated having regard to the magnitude of this ‘implied population’ relative to that of the host municipality and the relative level of responsibility of each regional centre to that of other regional centres.

It is important to note that levels of responsibility are relative to the size of the regional centre. Therefore, while a regional centre may effectively

service a small surrounding population, if the surrounding population is large relative to the size of the 'host', a relatively high degree of responsibility will be recognised.

Population growth/population decline

The Commission recognises that a local governing body faces certain expenditure disabilities as a result of not being able to continually change staff numbers and the scale of infrastructure in response to fluctuations in population levels. Such changes typically require planning and implementation horizons of several years or more. As a consequence, councils are often faced with excess or inadequate capacity in certain service areas depending on whether they are faced with rapid population decline or growth. Both circumstances are believed to confront councils with added expenditure burdens.

The disability factors are determined by comparing the average annual rate of population growth/decline for a particular municipality over a five-year period, against the average rate of population growth/decline for either growing or declining councils in the State as a whole.

The Commission has determined that it will only allow growth and decline factors for councils that experience significant levels of population change. Disability factors are only applied to those councils with an average population growth or decline of greater than 2 per cent.

Worker influx

This disability factor reflects the additional costs imposed on those municipalities which have significant daily net influxes of non-resident workers. It is felt that this effect is likely to have an impact which is in excess of the more general effect of regional responsibility.

Consideration is given for potential worker influx for the major population centres in the State. Municipalities outside these main centres

are unlikely to have sufficient commercial or industrial development relative to their surrounding regions to cause any net influx of non-resident workers which impose a significant cost on the municipality.

Determination of this factor involves estimating, from Australian Bureau of Statistics census data, the number of residents working outside the municipality and the number of non-residents working within the municipality. The difference, or the net worker inflow, is then used to derive a disability factor in relation to actual total population. Factors are now allocated to Hobart, Glenorchy, Launceston and Burnie. All other municipalities in the study areas had either a negative or zero net influx of non-resident workers.

Absentee population

Allowance is made by the Commission for the additional population which is not captured in the Census statistics but which nevertheless must be serviced. Specific reference is made here to those municipalities which have a significant number of holiday residences.

Calculation of this disability factor is based on the proportion of dwellings in each municipality which were unoccupied at the time of the 1996 Census.

For the 2000–01 assessments the Commission has made an adjustment to the absentee population factor in order to recognise the situation faced by the West Coast Council where mine workers reside outside of the municipality between shifts. It was accepted that the existing unoccupied dwelling statistics do not adequately reflect this phenomenon.

Unemployment

A disability factor reflecting the level of unemployment within a municipality has been calculated by the Commission using data on income support payments from Centrelink. This

disability factor has been calculated to capture the costs to councils of having a higher than average proportion of working-age residents unemployed. For example, additional expenditure might be incurred in the provision of recreation/leisure facilities or welfare programmes as a result of the need to cater for unemployed residents.

Age profile

The Commission has calculated a disability factor based on the proportions of residents aged 0–5 years, 15–25 and over 65. This disability factor reflects the additional costs associated with having a higher than average proportion of the population in these groups. For example, additional costs may be incurred in the provision of health and welfare services for infants and retirees, or in the provision of sporting facilities for people under 25.

Tourism

The Commission recognises that councils generally incur additional costs as a result of tourist influx through increased use of council resources and infrastructure. A disability factor that seeks to recognise these costs has been determined on the basis of the equivalent number of tourist beds in all establishments ranging from motels to registered camping grounds in each municipality.

Day-tripper

Significant numbers of day-trippers who make use of council facilities are recognised as increasing council costs. Details of the number of tourist attractions and an index of visitor frequency have been combined with a factor representing the distance from major population centres and the population of those centres, to determine a relative disability. Municipalities close to large population centres receive higher factors.

Equivalent tenements

The use of population to estimate standard water and sewerage expenditure does not recognise expenditures incurred in providing water and sewerage services to non-residential establishments. Therefore, a factor has been developed to recognise the cost of providing these services to commercial properties. This has been done by dividing the total value of serviced commercial properties by the modal residential assessed annual value in each water and sewerage district to determine the number of residential 'equivalent tenements'. From the 2000–01 assessments, a disability factor is recognised for all councils, whereas previously it was only applied to those councils with greater than one thousand equivalent tenements.

Identified local road fund distribution

The national principle governing the distribution of road grants (Section 12 payments under the Commonwealth Act) are outlined in Appendix A.

To accord with the National Principle and while ensuring that the grant distribution reflects the particular needs of Tasmanian councils, the road grants are distributed in the following manner:

- **Road preservation component:** 66.5 per cent of funds, based on the relative road expenditure needs of each council as determined using the Mulholland asset preservation model;
- **Bridge expenditure component:** 28.5 per cent of funds based on relative bridge deck areas (including all concrete and wooden bridges, and box culverts over 3 metres total span); and
- **Special needs, or 'betterment' component:** 5 per cent of funds allocated to councils with an above average proportion of rural unsealed roads, based on rural unsealed road lengths.

Table B.6: Application of disability factors to expenditure standards

Expenditure category	Disability factors	
General administration	Scale (high) Dispersion Isolation Regional responsibility Worker influx	Absentee population Population decline Population growth Tourism
Health, welfare and housing	Scale (medium) Dispersion Isolation Unemployment	Absentee population Population decline Population growth
Sanitation and the environment	Scale (medium) Dispersion Tourism Worker influx	Absentee population Climate Day-tripper Population growth
Planning and community amenities	Scale (medium) Dispersion Isolation Regional responsibility Population growth Tourism	Absentee population Age profile Climate Day-tripper Population decline
Recreation and culture	Scale (medium) Dispersion Isolation Regional responsibility Population growth Tourism	Absentee population Age profile Climate Day-tripper Population decline
Water	Dispersion Population growth Tourism Climate	Absentee population Population decline Worker influx Equivalent tenements
Sewerage	Dispersion Population growth Tourism Climate	Absentee population Population decline Worker influx Equivalent tenements
Public safety	Scale (low) Dispersion Isolation	Age profile Population decline Population growth
Other	Scale (low)*	

* Both Flinders and King Island councils receive the Scale (high) factor for expenditure classified to 'other'.

Northern Territory

Methodology

The methodology the Commission used in making its assessments for 2000–01 conforms with the requirements of the *Local Government (Financial Assistance) Act 1995*. Wherever possible, it has followed horizontal equalisation principles as set out in section 6 (3) of the Act, and as embodied in the national distribution principles.

In assessing relative expenditure and revenue needs, the Commission utilised the ‘balanced budget approach’. Using this approach, the Commission assesses the total standardised expenditure needs for each local governing body, and then deducts the assessed revenue-raising capacity to arrive at the standardised deficit. The deficit represents the funding required to enable each local governing body to deliver an average level of services when an average revenue-raising effort is made.

The methodology the Commission used calculates standards and applies disability factors and weightings to assess each local governing body’s revenue-raising capacity and expenditure requirements.

The assessed revenue-raising capacity and assessed expenditure requirements are the Commission’s measures of each local governing body’s ability to function at the average standard.

The calculation of standardised expenditure and revenue needs took into account population changes. These cover both increases as well as decreases where they occurred. In order to smooth the effect of these variations, the Commission adopts a three-year average of its calculated core community populations.

Revenue-raising capacity

As the ownership of the land on which many communities are located is vested in Land Trusts

established pursuant to the Commonwealth *Aboriginal Lands Rights (Northern Territory) Act 1976*, it is not feasible to use a land valuation system to assess revenue-raising capacity.

The method of calculating revenue-raising capacity is achieved through the use of personal income statistics, obtained from the Australian Bureau of Statistics. This allows the determination of a council’s theoretical gross income. In addition, councils which are recipients of the Northern Territory Operational Subsidy have 50 per cent of this revenue taken into account. The Commission considers that, given the unique circumstances within the Northern Territory, this approach provides a reasonable indication of a council’s revenue-raising capacity.

Expenditure needs and disability factors

The assessment of expenditure needs calculates standards in each category with disability factors applied as appropriate.

The Commission takes six expenditure categories into account. For 2000–01 the total standardised expenditure needs for each local governing body was adjusted by a combination of five disability factors. In arriving at these factors the Commission took into account the factors of distance, isolation, geographic location, dispersion, external access, growth and communications, which would influence costs of service delivery by individual councils.

Population estimates

In making its assessments, the Commission considered 1996 Census data provided by the Australian Bureau of Statistics. However, it was concerned that this data was at variance with that returned directly by the councils and endorsed by the Department of Local Government. The Commission has recently commenced a joint validation exercise with the Australian Bureau of Statistics in identifying reasons for the differences.

This may lead to future pilot counts in a number of regional communities.

Population data for smaller local governing bodies is more difficult to determine. This is partly because of enumeration difficulties in remote areas and the non-defined boundaries of some local governing bodies. In addition, whatever population is adopted may be of limited relevance in view of the seasonal increases and decreases of the predominantly Aboriginal communities.

The Commission has derived estimated resident population data for these smaller local governing bodies by reference to information obtained from a range of sources, including the Department of Local Government and the communities themselves.

In assessing the needs of communities, the Commission took into account local resident population and included a factor for those in outstations dependent on the relative council for local government services.

In addition, the Commission took into account interstate and overseas tourist visitors to communities that impact on the provision of local government services.

Formula

Revenue component

All councils:

Assessed revenue- = Gross income/State
raising capacity income \times \$31,154,002

Assessed revenue = Assessed rates + 50 per
cent operational subsidy

where:

Gross income = Community gross income

State income = Total Northern Territory
gross income

Operational subsidy = Northern Territory
operational subsidy
1999–2000

Total local government rate revenue = \$31,154,002

Expenditure components

Amenity

Community population/Territory population \times
Northern Territory amenity expenditure \times
(isolation works \times dispersion \times growth) –
amenity grants

General administration

Community population/Territory population \times
Northern Territory general administration
expenditure \times (isolation administration \times
dispersion \times Aboriginality) – administration
grants

A base level (\$70,000) of expenditure is applied to all councils.

Human services

Community population/Territory population \times
Northern Territory human services expenditure \times
(isolation administration \times Aboriginality \times
growth) – human services grants

Libraries

The population figure used for these calculations is the sum of the populations in those centres that are in receipt of library services.

Community population/Territory population \times
Northern Territory library expenditure \times
(isolation administration \times Aboriginality \times
growth) – Northern Territory library grants.

Recreation

Community population/Territory population \times
Northern Territory recreation expenditure \times
(isolation works \times growth) – Northern Territory
recreation grants.

Transport

This category is calculated on weighted road lengths by surface type. The summing of these figures determines a council's road factor.

The road factor equation is:

Community road factor/Northern Territory road factor \times Northern Territory roads expenditure.

$10 \times$ kerbed and sealed road + $8 \times$ sealed road + $4 \times$ gravel road + $1 \times$ formed road + $0.4 \times$ unformed road + $2 \times$ cycle paths.

APPENDIX C

FINDINGS OF THE COMMONWEALTH
GRANTS COMMISSION REVIEW
OF THE *LOCAL GOVERNMENT
(FINANCIAL ASSISTANCE) ACT 1995*

The Federal Local Government Minister has a statutory responsibility to review, in consultation with the States and local government, the operations of the *Local Government (Financial Assistance) Act 1995*. The review was to be carried out no later than 30 June 2001. The Minister formally asked the Commonwealth Grants Commission to undertake this review and terms of reference for the review (see box) were referred to the Commission on 1 June 2000.

The review processes

In June 2000, the Commission released a discussion paper on the review and asked for submissions. From July to October 2000 the Commission visited the capital city and a number of regional centres in each State and the Northern Territory to discuss issues with representatives of local government, State Government departments and local government grants commissions. The Commission released a draft report in December 2000 and provided its final report to the Federal Minister in June 2001. Working papers, associated with the Commission's report but prepared by the Commission secretariat, were also released.

Further details on the review including the Commission's report and the working papers are available on the Commission's website at www.cgc.gov.au.

The main findings from the Commonwealth Grants Commission's report are reproduced below.

Main findings

The terms of reference for this review asked the Commonwealth Grants Commission to examine and report on:

- the effectiveness of the current arrangements for achieving the purposes and goals of the Act;
- the appropriateness of the current National Principles – in particular, whether the minimum grant arrangement should be retained or varied;
- the effectiveness of the current arrangements in ensuring that assistance is allocated on a full horizontal equalisation basis;
- the consistency of local government grants commissions' policies and methods with the National Principles;

Terms of reference

The review under Section 17 of the *Local Government (Financial Assistance) Act 1995* will examine and report on:

- a) the effectiveness of the current arrangements under the Act to achieve the purposes of the Act and the goals in providing the grants that are referred to in Section 3 of the Act;
- b) the appropriateness of the current National Principles and, in particular, the retention of or variations of the minimum grant for the general purpose component in Section 6 of the Act;
- c) the consistency with the National Principles of the methodology and policies used by each of the State and Territory grants commissions in distributing funds to councils;

As required by Section 17 of the Act, the review shall also examine and report on:

- the effectiveness of the arrangements under this Act in relation to ensuring that the allocation of funds for local government purposes is made on a full horizontal equalisation basis as mentioned in paragraph 6(2)(a); and
- the impact of the Act on the raising of revenue by local governing bodies and on the assistance provided by the States to local governing bodies; and
- the implications of any changes in the functions or responsibilities of local governing bodies; and
- the eligibility for assistance under this Act of bodies declared by the Minister under Section 4 to be local governing bodies.

The Review will not address the interstate distribution of the general purpose and local road grants or the quantum of funds available under the Act.

- the impact of the Act on revenue raising by local governing bodies and on the provision of assistance to them by States;
- the implications of any changes in the functions or responsibilities of local governing bodies; and
- the eligibility for assistance under the Act of bodies declared by the Minister to be local governing bodies.

Effectiveness of the current arrangements, including the National Principles

The Act aims to provide financial assistance for local government to meet three underlying intentions:

- to provide all local governing bodies with at least a minimum level of assistance;
- to provide funding to contribute to the costs faced by local governing bodies in maintaining their local roads; and
- to provide relatively greater financial assistance to those local governing bodies which are relatively more disadvantaged compared with other local governing bodies because they face greater costs in providing services or because their ability to raise revenue is more limited.

In broad terms, the Commission found that current arrangements have led to a distribution of funds in line with these intentions.

The Act sets out five purposes. Six National Principles have been developed to guide local government grants commissions in allocating the assistance to achieve those purposes. The purposes, the Commission's interpretation of them and the associated National Principles are:

- **Financial Capacity**, which is about ensuring that every local governing body receives a share of the financial assistance provided by the Act. It is supported by the Minimum Grant and the Identified Road Component Principles.

- **Certainty of Funding**, which aims to ensure certainty of funds to the local government sector.
- **Equitable Level of Services**, which aims to ensure that relatively greater funds are provided to local governing bodies which, because of their greater costs of providing services or because of their more limited ability to raise revenue, are more relatively disadvantaged than other local governing bodies. The Horizontal Equalisation, Effort Neutrality, Other Grant Support, Aboriginal Peoples and Torres Strait Islanders and Minimum Grant Principles all bear on this purpose.
- **Efficiency and Effectiveness**, which aims to improve the efficiency and effectiveness of local governing bodies.
- **Aboriginal Peoples and Torres Strait Islanders**, which relates to improving the provision of services by local governing bodies to Indigenous people and has an associated Aboriginal Peoples and Torres Strait Islanders Principle.

The Commission believes the **Financial Capacity purpose** is being achieved. The Minimum Grant Principle, which is well understood and correctly applied by local government grants commissions, ensures that each local governing body receives a minimum of 30 per cent of their population share of the general purpose pool. All local governing bodies with roads responsibilities also receive a share of assistance from the Local Roads pool, in accordance with the Identified Road Component Principle.

The provision of at least a minimum level of assistance to all local governing bodies reflects one of the underlying intentions of the Commonwealth. The Commission recommends that this intention continue to be implemented, but expressed in the form of a per capita grant to ensure that every local governing body receives

a share of assistance. The current rate of this assistance (30 per cent) should be retained.

The Commission believes the **Certainty of Funding purpose** is also being achieved. The Act includes an escalation process that provides for growth in the level of funds to the local government sector for the duration of the Act.

The Commission believes the **Equitable Level of Services purpose** is described in terms of horizontal equalisation, as far as practicable. The definition of horizontal equalisation in the Act, the language of the Act, and the limited amount of funding indicate the purpose is about providing additional assistance to disadvantaged local governing bodies. As such, the Commonwealth Grants Commission believes it is broadly being achieved.

However, the Commission recommends that the language of the Act and of the associated Horizontal Equalisation National Principle be revised. In particular, the Commission believes that the term 'horizontal equalisation' should be replaced with 'relative need based on equalisation principles' because this more clearly reflects the Commonwealth's intentions and what is being, and can be, achieved. It would also avoid using the language of horizontal equalisation in a different way from its use in the allocation of Commonwealth general revenue assistance to the States.

The Commission found that the Minimum Grant Principle conflicts with the Horizontal Equalisation Principle because minimum grants and equalisation grants are funded from the same pool. As the minimum grants are not distributed on an equalisation basis, they reduce the assistance available to meet the Commonwealth's equity objective.

Implementation of the Horizontal Equalisation National Principle requires local government grants commissions to make comprehensive assessments covering all areas of local government

expenditure and revenue, all influences that might affect the expenditure required and the revenue raised, and to assess both relative advantages and relative disadvantages. The Commission recommends some changes in the methods of local government grants commissions to better implement the intent of this National Principle.

The Effort Neutrality and the Other Grant Support Principles are integral aspects of any distribution of untied grants on the basis of equalisation principles or relative need. The Commission found that the Other Grant Support Principle is not consistently interpreted or implemented by local government grants commissions, with implications for local governing body grants. The Principles are appropriate for an untied grant arrangement on equalisation principles, but the language of them could be improved to make the concepts better understood.

The **Efficiency and Effectiveness purpose** attempts to impose conditions on the allocation of the financial assistance. The Commission believes that this is not an appropriate purpose for an Act that distributes untied assistance on equalisation principles and recommends it be removed from the Act.

The **Aboriginal Peoples and Torres Strait Islanders purpose** attempts to direct local governing bodies to spend part of their assistance on improving services to Indigenous people. The Commission believes that it is inconsistent with the untied nature of the assistance being distributed and should be removed. However, the Commission recommends that the associated Aboriginal Peoples and Torres Strait Islanders Principle be retained even though conceptually it is not required in a grants distribution process based on relative need.

The Commission recommends that this Principle be strengthened to make it explicit that relative need requires an assessment of the impact

of Indigenous people on the expenditure requirements and revenue-raising capacity of local governing bodies.

The Commission believes that the National Report needs to take on a stronger monitoring role in this area. The Commission recommends that the National Report monitor and report on:

- the extent to which local government grants commissions' assessment methods recognise the needs of Indigenous people; and
- the performance of local governing bodies in providing services to Indigenous people (performance measures should be developed for this purpose).

The Act also identifies two goals of the Commonwealth in providing the financial assistance. They are to:

- increase the transparency and accountability of the allocation of funds by local government grants commissions; and
- promote greater consistency in the methods used to allocate equalisation grants.

Transparency and accountability are not defined in the Act. The Commission believes transparency is about local governing bodies being able to understand how their grant has been calculated and accountability is about local government grants commissions providing information to further assist that understanding. Improvements in these areas are required. Local government grants commissions should provide more and clearer information in their annual reports and the National Report should provide commentary on the different approaches of the local government grants commissions.

The **consistency goal** described in the Act relates to consistency in the methods used by local government grants commissions to allocate funds. There are many differences between local government grants commissions in the areas of expenditure and revenue covered by their

assessments, the range of influences on expenditure and revenue levels assessed, and the methods of measurement. Such differences are to be expected given the differences in the circumstances of local governing bodies both between and within the States. Local government grants commissions require the flexibility to adopt methods that best reflect their circumstances.

The Commission believes that the consistency goal should focus on the consistency of local government grants commissions' methods with the National Principles. Changes in local government grants commissions' assessment methods would be required to achieve consistency with the Relative Need, Other Grant Support and Aboriginal Peoples and Torres Strait Islanders Principles.

The Commission believes that the **Identified Road Component Principle** is appropriate because it is consistent with the intent of the Act and provides guidance to local government grants commissions on how to allocate their local roads grants.

Improving the arrangements

The Commission recommends that the operation of the Act would be improved if the Commonwealth's intentions in providing its assistance were clearer and more transparent, with a clearer relationship between the purposes and the funds provided. The Commission believes this could be achieved if there were:

- a per capita pool to provide every local governing body with a share of the assistance;
- a local roads pool to contribute towards local governing bodies' costs of maintaining their local roads; and
- a relative need pool to improve equity by providing additional assistance to the more disadvantaged local governing bodies.

Every local governing body would receive a fixed per capita share from the per capita pool. Every local governing body that has a road responsibility would receive funding from the local roads pool. Only relatively disadvantaged local governing bodies would receive funding from the relative need pool. As part of the changes, the Commission recommends that a purpose be drafted for the Act to outline the Commonwealth's intentions in providing the assistance from each pool.

Transitional arrangements. The proposed changes to implement the three-pool arrangement will not alter the total amount of assistance available or the allocation to the States. However, the Commission believes that requiring local government grants commissions to amend their assessment methods to make them more consistent with the National Principles is likely to change the current distribution of grants to local governing bodies within States. A five-year transitional period would be appropriate to enable local government grants commissions to modify their methods and local governing bodies to adjust to the changes in their grants.

The National Report should play a much stronger monitoring role. The Commission believes that areas the National Report should monitor and report on include:

- the extent to which local government grants commissions' assessment methods and approaches are consistent with the National Principles;
- the extent to which local government grants commissions are modifying their equalisation assessments to deliver greater stability in annual grants;
- the extent to which local government grants commissions' assessment methods recognise the needs of Indigenous people;

- assessing the performance of local governing bodies in providing services to Indigenous people;
- the extent to which local government grants commissions explain how individual grants have been calculated and provide sufficient information to enable local governing bodies to calculate them if they wish; and
- the effectiveness of the proposed transitional arrangements.

Impact on revenue raising and the provision of State assistance

Since the introduction of the Commonwealth's financial assistance grants in 1974–75, local government revenue from all sources has grown on average by 10.1 per cent per annum. Revenue from local government taxes and charges was about the same proportion in 1997–98 as it was in 1974–75. The introduction of Commonwealth assistance appears to have had little impact on local government revenue-raising effort at the national level.

State assistance to local government has increased absolutely in real terms over the same period. However, the rate of increase has been less than the rate of increase of other sources of local government revenue. The Commission found that State assistance has declined in relative importance from about 15 per cent of local government revenue in 1974–75 to 7 per cent in 1997–98.

Implications of changes in functions and responsibilities

Local government functions and responsibilities have expanded over the period since 1974–75. Analysis of local government expenditure over the period 1961–62 to 1997–98 shows that the composition of services being provided by local government has changed markedly over the last 30–35 years. Local government is increasingly providing human services at the expense of traditional property-based services (particularly roads). Some changes are the result of the changing priorities of local government, others are imposed on them by other spheres of government. The Commission found that the general broadening of local government functions has implications for local government finances.

Eligibility for assistance

The Act provides the Commonwealth Minister with the capacity to declare bodies that are providing local government-type services, but are not local governing bodies under State legislation, to be eligible to receive financial assistance grants. Forty of the 730 local governing bodies eligible to receive grants under this Act are declared local governing bodies. These arrangements are working well and should be retained. The Commission recommends that the Act be amended to allow:

- either the Commonwealth or State Minister to initiate a declaration – but require both to agree to it; and
- the Ministers to revoke an existing declaration, provided both agree.

APPENDIX D

DISTRIBUTION OF FINANCIAL ASSISTANCE GRANTS TO LOCAL GOVERNMENT 2000–01

Introduction

Table D.1 shows the distribution of local government financial assistance grants and some basic information, such as population, area and road length (as supplied by State Grants Commissions) for each council in Australia.

For the financial assistance grants, the table shows the actual grant entitlement for 2000–01 and the estimated grant entitlement for 2001–02. For each of these years, the components of the financial assistance grants (the general purpose grant and the local road grant) are also given.

Councils are listed under their category according to the Australian Classification of Local Governments (ACLG) see Appendix F. Within each category, councils are sorted by the size of their population, starting with the smallest. To find a council in the table, first consult Appendix F to obtain the ACLG category for that council.

To facilitate comparison, the general purpose grant per capita is provided for 2000–01. For further comparative purposes the average general purpose grant per capita for councils, grouped by ACLG and by State, is at table 3.7.

Notwithstanding the capacity of the ACLG system to group like councils, it should be noted

that there remains considerable scope for divergence within these categories, and for this reason the figures should only be taken as a starting point for inquiring into grant outcomes. This divergence can occur because of factors including isolation, population distribution, local economic performance, daily or seasonal population changes, the age of the population and geographic differences.

Councils receiving the minimum per capita grant in 2000–01 are indicated with a hash (#) beside their entry in the ‘General Purpose Grants per Capita’ column. For further information on the minimum grant entitlement, see ‘Councils on the minimum grant’ in chapter 3.

The source of the data is the relevant local government grants commission.

Key to symbols

- C = City
- S = Shire
- DC = District Council
- CGC = Community Government Council
- M = Municipal
- T = Town
- B = Borough
- RC = Regional City
- Bd = Board

Table D.1: Distribution of financial assistance grants to local government

Council name	State	Population 1999	Council area	Total road length	2000–2001 Actual entitlement					2001–2002 Estimated entitlement			
					General purpose	Roads	Total grant	GP grant per capita	Local Roads per km	General purpose	Roads	Total grant	
Urban Capital City (UCC)													
Perth (C)	WA	6,370	9	93	\$92,772	\$316,274	\$409,046	\$14.56	#	\$3,400.80	\$101,297	\$325,827	\$427,124
Adelaide (C)	SA	13,211	15	129	\$403,242	\$163,221	\$566,463	\$30.52		\$1,265.28	\$315,242	\$159,360	\$474,602
Sydney City	NSW	22,773	7	59	\$331,068	\$119,904	\$450,972	\$14.54	#	\$2,032.27	\$371,468	\$129,556	\$501,024
Hobart (C)	Tas	46,128	120	303	\$668,935	\$923,825	\$1,592,760	\$14.50	#	\$3,048.93	\$680,376	\$1,023,939	\$1,704,315
Melbourne (C)	Vic	47,309	36	202	\$689,000	\$335,683	\$1,024,683	\$14.56	#	\$1,661.80	\$774,000	\$315,466	\$1,089,466
Darwin (C)	NT	72,582	144	409	\$1,445,669	\$1,335,267	\$2,780,936	\$19.92		\$3,264.71	\$1,362,473	\$1,344,081	\$2,706,554
Brisbane	Qld	863,769	1,141	5,286	\$12,606,902	\$8,759,241	\$21,366,143	\$14.60	#	\$1,657.06	\$13,199,386	\$9,087,461	\$22,286,847
Urban Development Small (UDS)													
Docklands Authority	Vic	200	0	4	\$3,025	\$6,033	\$9,058	\$15.13	#	\$1,508.25	\$3,000	\$6,242	\$9,242
Peppermint Grove (S)	WA	1,749	2	9	\$25,472	\$11,083	\$36,555	\$14.56	#	\$1,231.44	\$26,097	\$11,372	\$37,469
East Fremantle (T)	WA	6,649	3	36	\$96,835	\$47,776	\$144,611	\$14.56	#	\$1,327.11	\$99,431	\$49,023	\$148,454
Walkerville (M)	SA	7,035	4	35	\$102,128	\$45,719	\$147,847	\$14.52	#	\$1,306.26	\$106,020	\$47,538	\$153,558
Cottesloe (T)	WA	7,588	4	48	\$110,510	\$68,245	\$178,755	\$14.56	#	\$1,421.77	\$113,450	\$70,194	\$183,644
Mosman Park (T)	WA	8,116	4	41	\$118,200	\$51,166	\$169,366	\$14.56	#	\$1,247.95	\$121,213	\$52,436	\$173,649
Claremont (T)	WA	9,368	5	47	\$136,434	\$68,588	\$205,022	\$14.56	#	\$1,459.32	\$142,160	\$70,378	\$212,538
Hunters Hill Municipal	NSW	13,620	6	61	\$198,004	\$89,696	\$287,700	\$14.54	#	\$1,470.43	\$206,652	\$93,077	\$299,729
Bassendean (T)	WA	14,030	11	93	\$342,088	\$134,117	\$476,205	\$24.38		\$1,442.12	\$289,426	\$133,113	\$422,539
Subiaco (C)	WA	15,473	7	82	\$225,346	\$146,162	\$371,508	\$14.56	#	\$1,782.46	\$235,335	\$158,211	\$393,546
Prospect (C)	SA	19,270	8	90	\$298,142	\$124,963	\$423,105	\$15.47		\$1,388.48	\$284,952	\$124,861	\$409,813
Nedlands (C)	WA	21,347	21	138	\$310,894	\$187,329	\$498,223	\$14.56	#	\$1,357.46	\$321,061	\$191,760	\$512,821
Cambridge (T)	WA	24,306	22	172	\$353,989	\$265,053	\$619,042	\$14.56	#	\$1,541.01	\$358,295	\$261,418	\$619,713
Fremantle (C)	WA	25,741	18	166	\$374,888	\$262,641	\$637,529	\$14.56	#	\$1,582.17	\$388,229	\$269,296	\$657,525

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					General purpose	Roads	Total grant	GP grant per capita	Local Roads per km	General purpose	Roads	Total grant
Vincent (T)	WA	25,795	10	131	\$375,674	\$228,135	\$603,809	\$14.56 #	\$1,741.49	\$378,256	\$242,721	\$620,977
Concord	NSW	26,002	11	86	\$378,008	\$141,172	\$519,180	\$14.54 #	\$1,641.53	\$0	\$0	\$0
Victoria Park (T)	WA	27,457	18	158	\$399,879	\$251,510	\$651,389	\$14.56 #	\$1,591.84	\$410,549	\$258,076	\$668,625
Mosman Municipal	NSW	28,127	9	85	\$408,900	\$144,728	\$553,628	\$14.54 #	\$1,702.68	\$423,744	\$149,612	\$573,356
Strathfield Municipal	NSW	28,595	14	86	\$415,704	\$157,260	\$572,964	\$14.54 #	\$1,828.60	\$427,652	\$162,528	\$590,180
Belmont (C)	WA	29,109	40	220	\$423,939	\$321,091	\$745,030	\$14.56 #	\$1,459.50	\$439,587	\$339,369	\$778,956
Urban Development Medium (UDM)												
Burwood	NSW	30,345	7	86	\$441,148	\$170,064	\$611,212	\$14.54 #	\$1,977.49	\$456,348	\$153,988	\$610,336
Lane Cove Municipal	NSW	31,735	10	100	\$461,356	\$176,404	\$637,760	\$14.54 #	\$1,764.04	\$473,900	\$171,632	\$645,532
Holdfast Bay (C)	SA	33,126	14	176	\$554,341	\$221,832	\$776,173	\$16.73	\$1,260.41	\$496,680	\$230,550	\$727,230
Drummoyne	NSW	33,695	8	99	\$489,844	\$172,828	\$662,672	\$14.54 #	\$1,745.74	\$0	\$0	\$0
Norwood Payneham and St Peters (C) SA		34,124	15	171	\$530,255	\$371,787	\$902,042	\$15.54	\$2,174.19	\$465,893	\$219,935	\$685,828
Botany Bay City	NSW	36,036	27	89	\$826,092	\$168,604	\$994,696	\$22.92	\$1,894.43	\$794,440	\$173,440	\$967,880
Unley (C)	SA	37,042	14	170	\$537,741	\$232,797	\$770,538	\$14.52 #	\$1,369.39	\$550,307	\$241,853	\$792,160
South Perth (C)	WA	37,523	20	186	\$546,479	\$261,971	\$808,450	\$14.56 #	\$1,408.45	\$562,607	\$268,695	\$831,302
Manly	NSW	38,316	16	103	\$557,024	\$186,344	\$743,368	\$14.54 #	\$1,809.17	\$574,348	\$192,128	\$766,476
Burnside (C)	SA	41,112	26	226	\$596,826	\$423,625	\$1,020,451	\$14.52 #	\$1,874.45	\$626,269	\$284,507	\$910,776
Ashfield Municipal	NSW	42,042	8	92	\$882,752	\$193,492	\$1,076,244	\$21.00	\$2,103.17	\$874,908	\$194,460	\$1,069,368
Campbelltown (C)	SA	46,346	24	251	\$911,266	\$308,140	\$1,219,406	\$19.66	\$1,227.65	\$811,266	\$786,697	\$1,597,963
Redcliffe	Qld	49,954	38	300	\$753,216	\$504,706	\$1,257,922	\$15.08	\$1,682.35	\$752,369	\$511,757	\$1,264,126
Kogarah Municipal	NSW	52,058	20	169	\$756,800	\$277,744	\$1,034,544	\$14.54 #	\$1,643.46	\$787,860	\$287,740	\$1,075,600
West Torrens Thebarton (C)	SA	52,388	37	289	\$945,960	\$355,006	\$1,300,966	\$18.06	\$1,228.39	\$841,960	\$368,884	\$1,210,844
Woolahra Municipal	NSW	54,572	12	135	\$793,348	\$255,512	\$1,048,860	\$14.54 #	\$1,892.68	\$816,896	\$263,232	\$1,080,128

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					General purpose	Roads	Total grant	GP grant per capita	Local Roads per km	General purpose	Roads	Total grant
Pittwater	NSW	56,003	125	229	\$814,152	\$361,664	\$1,175,816	\$14.54 #	\$1,579.32	\$836,344	\$373,628	\$1,209,972
Bayswater (C)	WA	56,399	33	342	\$821,386	\$515,191	\$1,336,577	\$14.56 #	\$1,506.41	\$849,150	\$526,826	\$1,375,976
Auburn	NSW	58,174	32	192	\$1,290,308	\$318,084	\$1,608,392	\$22.18	\$1,656.69	\$1,378,568	\$327,680	\$1,706,248
North Sydney	NSW	58,587	10	143	\$851,720	\$272,676	\$1,124,396	\$14.54 #	\$1,906.83	\$877,688	\$281,036	\$1,158,724
Willoughby City	NSW	60,498	22	202	\$879,500	\$335,412	\$1,214,912	\$14.54 #	\$1,660.46	\$918,836	\$348,416	\$1,267,252
Maribyrnong (C)	Vic	60,992	31	257	\$3,121,000	\$394,782	\$3,515,782	\$51.17	\$1,536.12	\$2,936,000	\$335,769	\$3,271,769
Mitcham (C)	SA	61,618	76	399	\$894,513	\$624,196	\$1,518,709	\$14.52 #	\$1,564.40	\$918,230	\$459,404	\$1,377,634
Leichhardt Municipal	NSW	62,053	12	176	\$1,358,196	\$313,600	\$1,671,796	\$21.89	\$1,781.82	\$1,354,028	\$324,200	\$1,678,228
Waverley	NSW	65,009	9	110	\$1,493,252	\$261,420	\$1,754,672	\$22.97	\$2,376.55	\$1,432,976	\$268,132	\$1,701,108
Yarra (C)	Vic	68,900	20	217	\$1,004,000	\$358,017	\$1,362,017	\$14.57 #	\$1,649.85	\$1,037,000	\$319,125	\$1,356,125
Canada Bay	NSW	59,697	19	185	\$0	\$0	\$0	–	–	\$908,664	\$324,000	\$1,232,664
Urban Development Large (UDL)												
Hurstville City	NSW	70,390	25	210	\$1,023,308	\$359,900	\$1,383,208	\$14.54 #	\$1,713.81	\$1,077,060	\$375,000	\$1,452,060
Canning (C)	WA	75,872	65	515	\$1,104,988	\$727,655	\$1,832,643	\$14.56 #	\$1,412.92	\$1,145,592	\$773,009	\$1,918,601
Marion (C)	SA	78,072	56	451	\$1,575,862	\$553,789	\$2,129,651	\$20.18	\$1,227.91	\$1,401,862	\$574,518	\$1,976,380
Marrickville	NSW	79,871	16	190	\$3,057,044	\$367,560	\$3,424,604	\$38.27	\$1,934.53	\$3,031,148	\$376,732	\$3,407,880
Port Phillip (C)	Vic	80,031	21	207	\$1,166,000	\$357,875	\$1,523,875	\$14.57 #	\$1,728.86	\$1,217,000	\$314,779	\$1,531,779
Hobson's Bay (C)	Vic	82,569	64	442	\$3,662,000	\$621,631	\$4,283,631	\$44.35	\$1,406.40	\$3,449,000	\$518,707	\$3,967,707
South Sydney City	NSW	85,859	18	199	\$2,363,032	\$396,376	\$2,759,408	\$27.52	\$1,991.84	\$2,267,648	\$412,120	\$2,679,768
Holroyd City	NSW	86,557	39	312	\$2,146,892	\$513,108	\$2,660,000	\$24.80	\$1,644.58	\$2,274,200	\$534,564	\$2,808,764
Bayside (C)	Vic	89,498	37	345	\$1,304,000	\$515,684	\$1,819,684	\$14.57 #	\$1,494.74	\$1,354,000	\$419,544	\$1,773,544
Stonnington (C)	Vic	91,181	26	257	\$1,328,000	\$424,947	\$1,752,947	\$14.56 #	\$1,653.49	\$1,382,000	\$368,989	\$1,750,989
Rockdale City	NSW	91,218	29	262	\$1,428,248	\$467,016	\$1,895,264	\$15.66	\$1,782.50	\$1,498,408	\$482,176	\$1,980,584

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					General purpose	Roads	Total grant	GP grant per capita	Local Roads per km	General purpose	Roads	Total grant
Melville (C)	WA	96,923	53	514	\$1,411,571	\$673,400	\$2,084,971	\$14.56 #	\$1,310.12	\$1,453,381	\$708,761	\$2,162,142
Tea Tree Gully (C)	SA	97,656	96	579	\$1,975,021	\$637,063	\$2,612,084	\$20.22	\$1,100.28	\$1,757,021	\$667,043	\$2,424,064
Ryde City	NSW	97,695	40	313	\$1,420,260	\$533,716	\$1,953,976	\$14.54 #	\$1,705.16	\$1,458,880	\$550,188	\$2,009,068
Maroondah (C)	Vic	98,473	61	470	\$3,504,000	\$651,188	\$4,155,188	\$35.58	\$1,385.51	\$3,290,000	\$570,868	\$3,860,868
Port Adelaide Enfield	SA	101,320	93	645	\$3,114,406	\$727,928	\$3,842,334	\$30.74	\$1,128.57	\$2,771,406	\$757,184	\$3,528,590
Charles Sturt (C)	SA	102,999	56	562	\$1,983,151	\$822,227	\$2,805,378	\$19.25	\$1,463.04	\$1,765,151	\$944,968	\$2,710,119
Ku-ring-gai	NSW	107,593	82	433	\$1,564,156	\$658,872	\$2,223,028	\$14.54 #	\$1,521.64	\$1,612,628	\$680,200	\$2,292,828
Frankston (C)	Vic	112,062	130	575	\$5,793,000	\$780,375	\$6,573,375	\$51.69	\$1,357.17	\$6,143,000	\$700,931	\$6,843,931
Moonee Valley (C)	Vic	112,111	44	435	\$3,333,000	\$652,703	\$3,985,703	\$29.73	\$1,500.47	\$3,130,000	\$571,591	\$3,701,591
Salisbury (C)	SA	112,318	158	694	\$6,725,937	\$1,004,068	\$7,730,005	\$59.88	\$1,446.78	\$7,264,012	\$1,041,825	\$8,305,837
Manningham (C)	Vic	113,616	113	638	\$1,810,000	\$795,346	\$2,605,346	\$15.93	\$1,246.62	\$2,030,000	\$702,104	\$2,732,104
Banyule (C)	Vic	119,462	63	548	\$4,395,000	\$800,102	\$5,195,102	\$36.79	\$1,460.04	\$4,126,000	\$724,087	\$4,850,087
Urban Development Very Large (UDV)												
Glen Eira (C)	Vic	123,468	39	425	\$1,798,000	\$647,532	\$2,445,532	\$14.56 #	\$1,523.60	\$1,860,000	\$538,156	\$2,398,156
Randwick City	NSW	126,665	37	271	\$1,841,420	\$558,740	\$2,400,160	\$14.54 #	\$2,061.77	\$1,889,704	\$574,480	\$2,464,184
Darebin (C)	Vic	129,597	53	493	\$6,445,000	\$733,964	\$7,178,964	\$49.73	\$1,488.77	\$6,007,000	\$701,421	\$6,708,421
Greater Dandenong (C)	Vic	131,842	130	600	\$4,978,000	\$844,076	\$5,822,076	\$37.76	\$1,406.79	\$5,125,000	\$777,547	\$5,902,547
Warringah	NSW	133,911	138	452	\$1,946,756	\$775,660	\$2,722,416	\$14.54 #	\$1,716.06	\$2,009,600	\$783,092	\$2,792,692
Kingston (C)	Vic	134,301	91	546	\$2,241,000	\$799,067	\$3,040,067	\$16.69	\$1,463.49	\$2,105,000	\$687,986	\$2,792,986
Moreland (C)	Vic	137,405	51	505	\$7,085,000	\$772,343	\$7,857,343	\$51.56	\$1,529.39	\$6,652,000	\$656,931	\$7,308,931
Canterbury City	NSW	139,770	33	310	\$3,256,968	\$656,360	\$3,913,328	\$23.30	\$2,117.29	\$3,276,048	\$677,104	\$3,953,152
Knox (C)	Vic	143,726	114	660	\$4,236,000	\$920,339	\$5,156,339	\$29.47	\$1,394.45	\$4,466,000	\$863,743	\$5,329,743
Parramatta City	NSW	145,871	60	488	\$3,451,332	\$864,924	\$4,316,256	\$23.66	\$1,772.39	\$3,503,188	\$895,232	\$4,398,420

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Whitehorse (C)	Vic	146,974	64	592	\$4,030,000	\$873,121	\$4,903,121	\$27.42	\$1,474.87	\$3,785,000	\$735,436	\$4,520,436
Boroondara (C)	Vic	158,402	60	572	\$2,307,000	\$852,727	\$3,159,727	\$14.56 #	\$1,490.78	\$2,383,000	\$763,295	\$3,146,295
Monash (C)	Vic	162,577	82	651	\$2,368,000	\$954,398	\$3,322,398	\$14.57 #	\$1,466.05	\$2,441,000	\$779,217	\$3,220,217
Brimbank (C)	Vic	163,823	123	744	\$8,737,000	\$1,049,227	\$9,786,227	\$53.33	\$1,410.25	\$8,632,000	\$937,082	\$9,569,082
Logan	Qld	166,770	251	994	\$2,434,045	\$1,682,378	\$4,116,423	\$14.60 #	\$1,692.53	\$2,509,122	\$1,723,919	\$4,233,041
Bankstown City	NSW	168,594	78	542	\$3,496,256	\$916,144	\$4,412,400	\$20.74	\$1,690.30	\$3,713,312	\$957,492	\$4,670,804
Stirling (C)	WA	176,108	100	997	\$2,564,808	\$1,419,487	\$3,984,295	\$14.56 #	\$1,423.76	\$2,639,388	\$1,469,289	\$4,108,677
Fairfield City	NSW	190,707	102	613	\$6,705,904	\$1,134,100	\$7,840,004	\$35.16	\$1,850.08	\$6,895,728	\$1,176,372	\$8,072,100
Sutherland Shire	NSW	211,782	371	763	\$3,078,824	\$1,209,356	\$4,288,180	\$14.54 #	\$1,585.00	\$3,178,680	\$1,248,668	\$4,427,348
Blacktown City	NSW	254,817	241	1,139	\$9,534,693	\$1,698,652	\$11,233,345	\$37.42	\$1,491.35	\$9,810,428	\$1,675,524	\$11,485,952
Urban Regional Small (URS)												
Stephen Island	Qld	99	n/a	2	\$52,666	\$1,470	\$54,136	\$531.98	\$735.00	\$55,781	\$1,525	\$57,306
Dauan Island	Qld	137	n/a	3	\$67,970	\$2,113	\$70,083	\$496.13	\$704.33	\$67,257	\$2,181	\$69,438
Coconut Island	Qld	161	n/a	2	\$75,259	\$1,972	\$77,231	\$467.45	\$986.00	\$79,716	\$2,054	\$81,770
Yam Island	Qld	161	n/a	2	\$132,420	\$1,972	\$134,392	\$822.48	\$986.00	\$131,030	\$2,054	\$133,084
Mapoon Aboriginal Council	Qld	169	n/a	35	\$57,114	\$13,074	\$70,188	\$337.95	\$373.54	\$60,396	\$13,366	\$73,762
Kubin Island	Qld	172	n/a	21	\$80,505	\$8,416	\$88,921	\$468.05	\$400.76	\$85,271	\$8,639	\$93,910
Mabuiag Island	Qld	192	n/a	6	\$110,890	\$3,560	\$114,450	\$577.55	\$593.33	\$110,399	\$3,685	\$114,084
Seisia Island	Qld	205	n/a	10	\$63,196	\$5,004	\$68,200	\$308.27	\$500.40	\$66,922	\$5,159	\$72,081
Wujal Wujal	Qld	211	n/a	20	\$57,143	\$8,397	\$65,540	\$270.82	\$419.85	\$56,543	\$8,627	\$65,170
Hammond Island	Qld	214	n/a	5	\$109,928	\$3,405	\$113,333	\$513.68	\$681.00	\$116,424	\$3,525	\$119,949
Umagico	Qld	248	n/a	22	\$109,922	\$9,365	\$119,287	\$443.23	\$425.68	\$108,768	\$9,624	\$118,392
Darnley Island	Qld	256	n/a	10	\$151,596	\$4,413	\$156,009	\$592.17	\$441.30	\$150,006	\$4,563	\$154,569

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Boigu Island	Qld	260	n/a	53	\$141,687	\$3,108	\$144,795	\$544.95	\$58.64	\$140,200	\$3,229	\$143,429
Saibai Island	Qld	296	n/a	7	\$190,624	\$4,737	\$195,361	\$644.00	\$676.71	\$188,623	\$4,901	\$193,524
New Mapoon	Qld	297	n/a	65	\$144,943	\$24,144	\$169,087	\$488.02	\$371.45	\$143,423	\$24,734	\$168,157
St Paul's Island	Qld	304	n/a	12	\$198,810	\$6,474	\$205,284	\$653.98	\$539.50	\$210,578	\$6,685	\$217,263
Yorke Island	Qld	306	n/a	8	\$217,254	\$5,156	\$222,410	\$709.98	\$644.50	\$214,975	\$5,334	\$220,309
Injinoo (Cowal Ck)	Qld	362	n/a	108	\$134,949	\$39,052	\$174,001	\$372.79	\$361.59	\$133,536	\$39,985	\$173,521
Sue Island (Warraber)	Qld	418	n/a	3	\$304,925	\$4,387	\$309,312	\$729.49	\$1,462.33	\$322,944	\$4,574	\$327,518
Murray Island	Qld	449	n/a	5	\$249,235	\$5,307	\$254,542	\$555.09	\$1,061.40	\$263,989	\$5,522	\$269,511
Lockhart River	Qld	455	n/a	175	\$86,379	\$62,213	\$148,592	\$189.84	\$355.50	\$85,477	\$63,596	\$149,073
Pormpuraaw	Qld	489	n/a	200	\$36,628	\$70,850	\$107,478	\$74.90	\$354.25	\$36,284	\$72,463	\$108,747
Doomadgee	Qld	580	n/a	127	\$102,968	\$47,171	\$150,139	\$177.53	\$371.43	\$101,891	\$48,377	\$150,268
Badu Island	Qld	604	16	9	\$382,849	\$7,899	\$390,748	\$633.86	\$877.67	\$405,493	\$8,201	\$413,694
Hopevale	Qld	637	n/a	137	\$82,662	\$50,977	\$133,639	\$129.77	\$372.09	\$81,799	\$52,117	\$133,916
Weipa South	Qld	701	6	20	\$196,313	\$12,363	\$208,676	\$280.05	\$618.15	\$207,942	\$12,663	\$220,605
Kowanyama	Qld	807	n/a	212	\$138,993	\$77,438	\$216,431	\$172.23	\$365.27	\$147,227	\$79,222	\$226,449
Bamaga	Qld	813	n/a	62	\$270,701	\$27,317	\$298,018	\$332.97	\$440.60	\$286,677	\$28,083	\$314,760
Aurukun	Qld	866	7354	183	\$246,741	\$68,216	\$314,957	\$284.92	\$372.77	\$261,351	\$69,887	\$331,238
Woorabinda	Qld	1,059	n/a	55	\$66,513	\$26,967	\$93,480	\$62.81	\$490.31	\$67,056	\$27,333	\$94,389
Cherbourg	Qld	1,123	n/a	70	\$70,270	\$32,502	\$102,772	\$62.57	\$464.31	\$74,462	\$33,128	\$107,590
Mornington	Qld	1,196	1227	282	\$437,295	\$103,998	\$541,293	\$365.63	\$368.79	\$463,053	\$106,738	\$569,791
Yarrabah	Qld	1,868	n/a	50	\$177,463	\$24,149	\$201,612	\$95.00	\$482.98	\$187,969	\$24,860	\$212,829
Palm Island	Qld	2,155	71	41	\$249,260	\$31,156	\$280,416	\$115.67	\$759.90	\$263,953	\$32,385	\$296,338
Jabiru (T)	NT	2,160	13	20	\$99,926	\$73,399	\$173,325	\$46.26	\$3,669.95	\$94,175	\$76,895	\$171,070
Cooper Pedy (DC)	SA	2,605	78	109	\$452,984	\$47,588	\$500,572	\$173.89	\$436.59	\$495,520	\$45,969	\$541,489

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					General purpose	Roads	Total grant	GP grant per capita	Local Roads per km	General purpose	Roads	Total grant
Torres	Qld	3,260	1,862	95	\$1,386,107	\$58,160	\$1,444,267	\$425.19	\$612.21	\$1,468,276	\$60,094	\$1,528,370
Queenscliffe (B)	Vic	3,437	9	44	\$81,000	\$94,135	\$175,135	\$23.57	\$2,139.43	\$80,000	\$79,558	\$159,558
Tennant Creek (T)	NT	3,956	25	40	\$296,061	\$140,561	\$436,622	\$74.84	\$3,514.03	\$325,122	\$162,181	\$487,303
Roxby Downs (M)	SA	4,063	110	34	\$58,983	\$31,597	\$90,580	\$14.52 #	\$929.32	\$61,901	\$33,177	\$95,078
Goondiwindi	Qld	4,528	14	57	\$391,059	\$55,648	\$446,707	\$86.36	\$976.28	\$414,251	\$59,477	\$473,728
Narrogin (T)	WA	4,695	11	67	\$543,958	\$104,746	\$648,704	\$115.86	\$1,563.37	\$561,785	\$107,544	\$669,329
Coolgardie (S)	WA	4,997	30,400	795	\$526,713	\$273,513	\$800,226	\$105.41	\$344.04	\$492,094	\$280,259	\$772,353
Glen Innes Municipal	NSW	5,955	69	104	\$794,648	\$122,188	\$916,836	\$133.44	\$1,174.88	\$795,244	\$125,568	\$920,812
Roma	Qld	6,404	77	190	\$517,325	\$115,383	\$632,708	\$80.78	\$607.28	\$511,956	\$117,728	\$629,684
Northam (T)	WA	6,445	24	87	\$698,075	\$129,411	\$827,486	\$108.31	\$1,487.48	\$756,935	\$131,939	\$888,874
Deniliquin	NSW	8,208	130	148	\$1,150,680	\$158,932	\$1,309,612	\$140.19	\$1,073.86	\$1,145,252	\$166,132	\$1,311,384
Charters Towers	Qld	8,936	42	158	\$997,777	\$125,107	\$1,122,884	\$111.66	\$791.82	\$1,014,082	\$125,896	\$1,139,978
Dalby	Qld	9,805	47	147	\$625,013	\$128,596	\$753,609	\$63.74	\$874.80	\$662,075	\$131,001	\$793,076
Katherine (T)	NT	11,399	528	159	\$501,762	\$441,997	\$943,759	\$44.02	\$2,779.86	\$543,309	\$447,856	\$991,165
Ararat (RC)	Vic	11,527	4,212	2,350	\$1,520,000	\$973,485	\$2,493,485	\$131.86	\$414.25	\$1,670,000	\$1,091,183	\$2,761,183
Brighton (M)	Tas	12,885	168	151	\$714,929	\$310,925	\$1,025,854	\$55.49	\$2,059.11	\$725,214	\$318,443	\$1,043,657
Port Lincoln (C)	SA	13,102	32	154	\$878,292	\$129,535	\$1,007,827	\$67.03	\$841.14	\$817,232	\$134,567	\$951,799
Port Hedland (T)	WA	13,272	11,844	515	\$1,508,897	\$418,419	\$1,927,316	\$113.69	\$812.46	\$1,458,798	\$464,442	\$1,923,240
Port Augusta (C)	SA	13,853	1,193	413	\$2,144,756	\$172,569	\$2,317,325	\$154.82	\$417.84	\$2,307,990	\$179,405	\$2,487,395
Roebourne (S)	WA	14,534	15,196	576	\$2,150,333	\$510,629	\$2,660,962	\$147.95	\$886.51	\$2,325,060	\$515,152	\$2,840,212
Grafton City	NSW	16,802	80	153	\$1,245,340	\$252,628	\$1,497,968	\$74.12	\$1,651.16	\$1,258,208	\$268,636	\$1,526,844
Horsham (RC)	Vic	18,185	4,241	2,755	\$1,817,000	\$946,052	\$2,763,052	\$99.92	\$343.39	\$1,876,000	\$1,088,628	\$2,964,628
Kiama Municipal	NSW	19,108	256	191	\$868,488	\$243,044	\$1,111,532	\$45.45	\$1,272.48	\$893,932	\$253,188	\$1,147,120
Burnie (C)	Tas	19,480	618	352	\$946,554	\$707,684	\$1,654,238	\$48.59	\$2,010.47	\$915,169	\$689,286	\$1,604,455

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Council name	State	Population 1999	Council area	Total road length	2000–2001 Actual entitlement					2001–2002 Estimated entitlement		
					General purpose	Roads	Total grant	GP grant per capita	Local Roads per km	General purpose	Roads	Total grant
Geraldton (C)	WA	19,861	28	182	\$1,044,657	\$381,959	\$1,426,616	\$52.60	\$2,098.68	\$1,065,352	\$393,341	\$1,458,693
Lithgow City	NSW	19,913	3,469	650	\$1,888,932	\$563,184	\$2,452,116	\$94.86	\$866.44	\$1,946,088	\$580,748	\$2,526,836
Glenelg (S)	Vic	20,206	6,224	2,664	\$2,215,000	\$1,422,367	\$3,637,367	\$109.62	\$533.92	\$2,347,000	\$1,849,049	\$4,196,049
Colac-Otway (S)	Vic	20,259	3,437	1,774	\$2,132,000	\$1,115,127	\$3,247,127	\$105.24	\$628.59	\$2,277,000	\$1,244,098	\$3,521,098
Delatite (S)	Vic	20,280	6,247	2,015	\$1,869,000	\$1,142,679	\$3,011,679	\$92.16	\$567.09	\$1,985,000	\$1,253,113	\$3,238,113
Warwick	Qld	20,574	4,418	2,312	\$2,460,554	\$939,804	\$3,400,358	\$119.60	\$406.49	\$2,606,422	\$960,524	\$3,566,946
Singleton Shire	NSW	20,687	4,810	695	\$1,220,536	\$647,416	\$1,867,952	\$59.00	\$931.53	\$1,264,788	\$666,472	\$1,931,260
Swan Hill (RC)	Vic	20,718	6,132	3,064	\$2,146,000	\$933,345	\$3,079,345	\$103.58	\$304.62	\$2,198,000	\$1,006,417	\$3,204,417
Richmond Valley	NSW	20,722	2,550	939	\$2,257,196	\$826,956	\$3,084,152	\$108.93	\$880.68	\$2,299,140	\$851,208	\$3,150,348
Goulburn City	NSW	20,841	54	165	\$1,233,832	\$297,900	\$1,531,732	\$59.20	\$1,805.45	\$1,304,376	\$306,784	\$1,611,160
Broken Hill City	NSW	20,983	70	211	\$2,388,768	\$318,428	\$2,707,196	\$113.84	\$1,509.14	\$2,437,456	\$323,536	\$2,760,992
Central Coast (M)	Tas	21,058	947	662	\$1,244,143	\$1,019,930	\$2,264,073	\$59.08	\$1,540.68	\$1,338,090	\$1,074,768	\$2,412,858
Mount Isa	Qld	21,901	43,252	1,178	\$1,580,535	\$571,432	\$2,151,967	\$72.17	\$485.09	\$1,564,166	\$583,221	\$2,147,387
Mount Barker (DC)	SA	22,397	594	685	\$435,901	\$237,334	\$673,235	\$19.46	\$346.47	\$387,902	\$249,213	\$637,115
Mount Gambier (C)	SA	23,175	27	184	\$692,233	\$360,935	\$1,053,168	\$29.87	\$1,961.60	\$669,748	\$220,140	\$889,888
Griffith City	NSW	23,292	1,606	1,228	\$1,429,256	\$887,408	\$2,316,664	\$61.36	\$722.64	\$1,451,772	\$923,040	\$2,374,812
Whyalla (C)	SA	23,650	1,034	272	\$2,798,851	\$256,297	\$3,055,148	\$118.34	\$942.27	\$3,020,201	\$256,190	\$3,276,391
Moorabool (S)	Vic	23,986	2,111	1,338	\$2,102,000	\$1,103,911	\$3,205,911	\$87.63	\$825.05	\$2,346,000	\$1,182,417	\$3,528,417
Devonport (C)	Tas	24,462	3,939	245	\$799,848	\$619,135	\$1,418,983	\$32.70	\$2,527.08	\$757,519	\$616,628	\$1,374,147
Armidale Dumaresq	NSW	24,811	4,202	984	\$1,733,256	\$822,492	\$2,555,748	\$69.86	\$835.87	\$1,813,672	\$848,020	\$2,661,692
Maryborough	Qld	25,036	1,239	377	\$1,229,745	\$328,836	\$1,558,581	\$49.12	\$872.24	\$1,216,988	\$337,162	\$1,554,150
South Gippsland (S)	Vic	25,503	3,298	2,471	\$2,546,000	\$1,656,922	\$4,202,922	\$99.83	\$670.55	\$2,851,000	\$2,147,056	\$4,998,056
Wangaratta (RC)	Vic	26,109	3,641	2,034	\$2,331,000	\$1,234,448	\$3,565,448	\$89.28	\$606.91	\$2,352,000	\$1,306,005	\$3,658,005
Moira (S)	Vic	26,209	4,068	3,625	\$2,570,000	\$1,630,066	\$4,200,066	\$98.06	\$449.67	\$3,144,000	\$1,791,712	\$4,935,712

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					General purpose	Roads	Total grant	GP grant per capita	Local Roads per km	General purpose	Roads	Total grant
Mitchell (S)	Vic	26,878	2,863	1,387	\$2,482,000	\$1,068,409	\$3,550,409	\$92.34	\$770.30	\$2,511,000	\$1,176,179	\$3,687,179
Kempsey Shire	NSW	27,073	3,355	1,020	\$2,209,724	\$1,003,204	\$3,212,928	\$81.62	\$983.53	\$2,322,840	\$1,035,620	\$3,358,460
Gladstone	Qld	27,463	147	209	\$975,266	\$292,225	\$1,267,491	\$35.51	\$1,398.21	\$965,119	\$307,894	\$1,273,013
Kingborough (M)	Tas	28,252	1,099	510	\$992,078	\$754,170	\$1,746,248	\$35.12	\$1,478.76	\$968,812	\$766,670	\$1,735,482
Warrnambool (C)	Vic	28,544	121	293	\$1,800,000	\$571,253	\$2,371,253	\$63.06	\$1,949.67	\$1,911,000	\$485,833	\$2,396,833
Byron Shire	NSW	28,573	561	494	\$1,320,044	\$642,052	\$1,962,096	\$46.20	\$1,299.70	\$1,392,364	\$669,812	\$2,062,176
Bunbury (C)	WA	28,587	61	300	\$783,040	\$521,628	\$1,304,668	\$27.39	\$1,738.76	\$747,838	\$535,372	\$1,283,210
Bega Valley Shire	NSW	29,039	6,050	1,089	\$2,646,280	\$1,018,492	\$3,664,772	\$91.13	\$935.25	\$2,785,616	\$1,059,188	\$3,844,804
Queanbeyan City	NSW	29,394	52	151	\$1,425,816	\$370,932	\$1,796,748	\$48.51	\$2,456.50	\$1,455,816	\$393,340	\$1,849,156
Albany (C)	WA	29,622	4,804	1,588	\$1,966,676	\$1,059,756	\$3,026,432	\$66.39	\$667.35	\$1,955,940	\$1,057,869	\$3,013,809
Alice Springs (T)	NT	29,791	320	206	\$932,224	\$646,714	\$1,578,938	\$31.29	\$3,139.39	\$1,143,058	\$703,711	\$1,846,769
Urban Regional Medium (URM)												
Bathurst City	NSW	30,053	239	285	\$1,601,912	\$464,316	\$2,066,228	\$53.30	\$1,629.18	\$1,686,572	\$484,908	\$2,171,480
Great Lakes	NSW	30,566	3,339	834	\$3,153,120	\$817,216	\$3,970,336	\$103.16	\$979.88	\$3,357,684	\$866,680	\$4,224,364
Wodonga (RC)	Vic	31,328	436	431	\$2,013,000	\$716,996	\$2,729,996	\$84.26	\$1,663.56	\$2,324,000	\$656,909	\$2,980,909
Eurobodalla Shire	NSW	31,539	3,404	902	\$3,342,064	\$853,964	\$4,196,028	\$105.97	\$946.75	\$3,454,140	\$875,944	\$4,330,084
Kalgoorlie/Boulder (C)	WA	31,939	95,229	1,330	\$1,362,898	\$896,976	\$2,259,874	\$42.67	\$674.42	\$1,354,439	\$930,687	\$2,285,126
Cooloolool	Qld	33,213	2,963	1,341	\$1,556,401	\$717,276	\$2,273,677	\$46.86	\$534.88	\$1,540,309	\$728,403	\$2,268,712
Baw Baw (S)	Vic	34,964	4,035	1,793	\$2,704,000	\$1,569,876	\$4,273,876	\$77.34	\$875.56	\$2,931,000	\$1,711,565	\$4,642,565
Campaspe (C)	Vic	35,522	4,526	4,460	\$2,975,000	\$1,839,998	\$4,814,998	\$83.75	\$412.56	\$3,351,000	\$2,171,037	\$5,522,037
Macedon Ranges (S)	Vic	35,879	1,748	1,446	\$2,633,000	\$1,354,805	\$3,987,805	\$73.39	\$936.93	\$2,879,000	\$1,398,789	\$4,277,789
Tamworth City	NSW	35,880	183	334	\$1,991,176	\$550,504	\$2,541,680	\$55.50	\$1,648.22	\$2,092,496	\$567,496	\$2,659,992
Orange City	NSW	35,997	287	361	\$1,828,976	\$563,224	\$2,392,200	\$50.81	\$1,560.18	\$1,928,768	\$590,076	\$2,518,844

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					General purpose	Roads	Total grant	GP grant per capita	Local Roads per km	General purpose	Roads	Total grant
Ballina Shire	NSW	36,742	487	546	\$1,689,576	\$686,512	\$2,376,088	\$45.98	\$1,257.35	\$1,775,572	\$714,252	\$2,489,824
Dubbo City	NSW	37,484	3,339	1,084	\$2,669,656	\$970,804	\$3,640,460	\$71.22	\$895.58	\$2,787,280	\$1,008,056	\$3,795,336
East Gippsland (S)	Vic	39,352	20,946	3,289	\$4,194,000	\$2,221,550	\$6,415,550	\$106.58	\$675.45	\$4,438,000	\$2,647,231	\$7,085,231
Wingecarribee Shire	NSW	40,320	2,700	970	\$2,168,388	\$948,132	\$3,116,520	\$53.78	\$977.46	\$2,270,620	\$987,988	\$3,258,608
Wellington (S)	Vic	41,378	10,995	3,332	\$3,496,000	\$2,176,914	\$5,672,914	\$84.49	\$653.34	\$3,945,000	\$2,562,755	\$6,507,755
Hervey Bay	Qld	42,242	2,352	778	\$1,647,449	\$602,123	\$2,249,572	\$39.00	\$773.94	\$1,745,223	\$620,076	\$2,365,299
Albury City	NSW	42,468	103	355	\$2,634,524	\$648,120	\$3,282,644	\$62.04	\$1,825.69	\$2,804,216	\$669,416	\$3,473,632
Lismore City	NSW	43,300	1,267	1,060	\$2,887,568	\$1,118,936	\$4,006,504	\$66.69	\$1,055.60	\$3,077,588	\$1,152,596	\$4,230,184
Glenorchy (C)	Tas	43,860	2,522	290	\$636,045	\$800,899	\$1,436,944	\$14.50 #	\$2,761.72	\$650,078	\$787,333	\$1,437,411
Mandurah (C)	WA	44,038	179	469	\$641,362	\$534,889	\$1,176,251	\$14.56 #	\$1,140.49	\$680,491	\$552,820	\$1,233,311
Greater Taree City	NSW	44,149	3,753	1,510	\$2,495,092	\$1,433,760	\$3,928,852	\$56.52	\$949.51	\$2,634,432	\$1,479,788	\$4,114,220
Bundaberg	Qld	44,200	95	361	\$1,399,577	\$478,501	\$1,878,078	\$31.66	\$1,325.49	\$1,385,073	\$486,632	\$1,871,705
Cessnock City	NSW	46,706	1,951	838	\$2,974,996	\$933,396	\$3,908,392	\$63.70	\$1,113.84	\$3,083,416	\$967,400	\$4,050,816
Mildura (RC)	Vic	47,943	22,093	4,987	\$4,916,000	\$1,761,007	\$6,677,007	\$102.54	\$353.12	\$4,983,000	\$2,003,954	\$6,986,954
Clarence (C)	Tas	48,891	381	426	\$1,159,780	\$799,125	\$1,958,905	\$23.72	\$1,875.88	\$1,214,846	\$796,554	\$2,011,400
Maitland City	NSW	53,601	396	526	\$2,761,016	\$631,524	\$3,392,540	\$51.51	\$1,200.62	\$2,922,388	\$665,444	\$3,587,832
Greater Shepparton (C)	Vic	55,556	2,422	2,417	\$4,520,000	\$1,827,089	\$6,347,089	\$81.36	\$755.93	\$4,617,000	\$1,916,909	\$6,533,909
Port Stephens	NSW	55,971	979	553	\$2,814,476	\$633,744	\$3,448,220	\$50.28	\$1,146.01	\$2,989,396	\$653,432	\$3,642,828
Wagga Wagga City	NSW	56,303	4,886	1,983	\$3,293,672	\$1,749,652	\$5,043,324	\$58.50	\$882.33	\$3,495,020	\$1,801,672	\$5,296,692
Shellharbour City	NSW	56,930	154	272	\$2,227,756	\$400,964	\$2,628,720	\$39.13	\$1,474.13	\$2,383,376	\$426,976	\$2,810,352
Rockhampton	Qld	59,568	188	490	\$1,220,155	\$646,036	\$1,866,191	\$20.48	\$1,318.44	\$1,207,486	\$655,663	\$1,863,149
Coffs Harbour City	NSW	59,747	946	618	\$2,906,528	\$998,196	\$3,904,724	\$48.65	\$1,615.20	\$3,106,396	\$1,041,636	\$4,148,032
Hastings	NSW	61,298	3,693	1,146	\$3,291,724	\$1,401,436	\$4,693,160	\$53.70	\$1,222.89	\$3,536,336	\$1,468,644	\$5,004,980
Launceston (C)	Tas	62,897	992	729	\$1,706,937	\$1,621,892	\$3,328,829	\$27.14	\$2,224.82	\$1,658,084	\$1,617,960	\$3,276,044

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Urban Regional Large (URL)												
Lalor (C)	Vic	70,062	1,427	1,404	\$5,849,000	\$1,820,754	\$7,669,754	\$83.48	\$1,296.83	\$5,776,000	\$1,810,980	\$7,586,980
Tweed Shire	NSW	70,133	1,303	1,018	\$3,993,344	\$1,374,460	\$5,367,804	\$56.94	\$1,350.16	\$4,291,632	\$1,442,820	\$5,734,452
Caloundra	Qld	71,259	1,107	1,014	\$1,040,041	\$915,923	\$1,955,964	\$14.60 #	\$903.28	\$1,090,380	\$953,677	\$2,044,057
Mackay	Qld	75,619	2,887	1,402	\$1,873,701	\$1,080,884	\$2,954,585	\$24.78	\$770.96	\$1,854,368	\$1,140,779	\$2,995,147
Ballarat (C)	Vic	81,065	740	1,205	\$6,737,000	\$1,653,030	\$8,390,030	\$83.11	\$1,371.81	\$6,588,000	\$1,526,190	\$8,114,190
Shoalhaven City	NSW	82,523	4,660	1,439	\$5,997,996	\$1,667,472	\$7,665,468	\$72.68	\$1,158.77	\$6,195,968	\$1,740,752	\$7,936,720
Toowoomba	Qld	87,236	116	609	\$1,348,556	\$909,719	\$2,258,275	\$15.46	\$1,493.79	\$1,334,642	\$933,828	\$2,268,470
Greater Bendigo (C)	Vic	87,301	3,000	2,883	\$6,809,000	\$2,373,649	\$9,182,649	\$77.99	\$823.33	\$6,708,000	\$2,268,424	\$8,976,424
Townsville	Qld	88,251	1,866	815	\$2,483,474	\$986,900	\$3,470,374	\$28.14	\$1,210.92	\$2,457,770	\$1,031,600	\$3,489,370
Urban Regional Very Large (URV)												
Maroochy	Qld	118,611	1,162	1,364	\$1,731,157	\$1,416,257	\$3,147,414	\$14.60 #	\$1,038.31	\$1,819,993	\$1,430,186	\$3,250,179
Cairns	Qld	119,027	1,846	1,065	\$2,045,633	\$1,319,621	\$3,365,254	\$17.19	\$1,239.08	\$2,024,541	\$1,364,188	\$3,388,729
Newcastle City	NSW	140,028	182	720	\$8,101,692	\$1,043,712	\$9,145,404	\$57.86	\$1,449.60	\$8,437,376	\$1,082,616	\$9,519,992
Lake Macquarie City	NSW	183,002	749	1,201	\$8,645,956	\$1,572,904	\$10,218,860	\$47.25	\$1,309.66	\$8,969,200	\$1,627,540	\$10,596,740
Wollongong City	NSW	186,608	714	871	\$8,886,532	\$1,289,296	\$10,175,828	\$47.62	\$1,480.25	\$9,492,420	\$1,334,536	\$10,826,956
Greater Geelong (C)	Vic	188,564	1,248	1,897	\$10,183,896	\$2,828,270	\$13,012,166	\$54.01	\$1,490.92	\$10,786,995	\$2,579,939	\$13,366,934
Gold Coast	Qld	392,753	1,402	2,424	\$5,732,317	\$3,989,590	\$9,721,907	\$14.60 #	\$1,645.87	\$6,065,028	\$4,290,478	\$10,355,506
Urban Fringe Small (UFS)												
Gawler (M)	SA	17,669	41	166	\$545,563	\$209,687	\$755,250	\$30.88	\$1,263.17	\$587,858	\$221,294	\$809,152
Palmerston (T)	NT	19,324	56	123	\$805,088	\$407,001	\$1,212,089	\$41.66	\$3,308.95	\$814,686	\$407,680	\$1,222,366
West Tamar (M)	Tas	19,928	689	448	\$1,016,708	\$585,800	\$1,602,508	\$51.02	\$1,307.59	\$1,074,439	\$603,861	\$1,678,300
Johnstone	Qld	20,302	1,635	634	\$1,120,110	\$376,342	\$1,496,452	\$55.17	\$593.60	\$1,108,379	\$387,739	\$1,496,118

(# = Minimum Grant)

Council name	State	Population 1999	Council area	Total road length	2000-2001 Actual entitlement					2001-2002 Estimated entitlement		
					General purpose	Roads	Total grant	GP grant per capita	Local Roads per km	General purpose	Roads	Total grant
Kwinana (T)	WA	21,277	118	282	\$381,892	\$326,599	\$708,491	\$17.95	\$1,158.15	\$323,103	\$338,366	\$661,469
Bass Coast (S)	Vic	22,563	865	1,062	\$2,078,000	\$883,814	\$2,961,814	\$92.10	\$832.22	\$2,185,000	\$889,410	\$3,074,410
Burnett	Qld	22,894	2,001	1,275	\$733,453	\$611,645	\$1,345,098	\$32.04	\$479.72	\$725,865	\$629,379	\$1,355,244
Livingstone	Qld	25,215	11,753	1,342	\$1,488,858	\$652,941	\$2,141,799	\$59.05	\$486.54	\$1,473,465	\$678,443	\$2,151,908
Urban Fringe Medium (UFM)												
Mundaring (S)	WA	35,117	644	631	\$1,756,108	\$681,158	\$2,437,266	\$50.01	\$1,079.49	\$1,937,749	\$615,624	\$2,553,373
Wollondilly Shire	NSW	35,952	2,558	674	\$1,580,360	\$744,832	\$2,325,192	\$43.96	\$1,105.09	\$1,589,624	\$777,684	\$2,367,308
Adelaide Hills	SA	38,778	796	1,110	\$1,060,743	\$470,072	\$1,530,815	\$27.35	\$423.49	\$943,743	\$466,770	\$1,410,513
Camden	NSW	40,180	206	289	\$1,347,952	\$385,180	\$1,733,132	\$33.55	\$1,332.80	\$1,443,744	\$426,172	\$1,869,916
Noosa	Qld	41,386	866	753	\$699,505	\$586,833	\$1,286,338	\$16.90	\$779.33	\$692,327	\$611,606	\$1,303,933
Cardinia (S)	Vic	45,083	1,282	1,290	\$2,539,000	\$1,248,020	\$3,787,020	\$56.32	\$967.46	\$3,170,000	\$1,346,978	\$4,516,978
Melton (S)	Vic	46,066	528	502	\$2,640,000	\$555,115	\$3,195,115	\$57.31	\$1,105.81	\$3,070,000	\$548,857	\$3,618,857
Kalamunda (S)	WA	49,199	349	547	\$1,240,642	\$576,594	\$1,817,236	\$25.22	\$1,054.10	\$1,333,566	\$614,909	\$1,948,475
Thuringowa	Qld	49,421	1,860	504	\$1,155,720	\$568,521	\$1,724,241	\$23.39	\$1,128.02	\$1,143,787	\$599,072	\$1,742,859
Beaudesert	Qld	51,270	2,851	1,538	\$748,298	\$929,387	\$1,677,685	\$14.60 #	\$604.28	\$786,988	\$955,717	\$1,742,705
Armadale (C)	WA	53,125	545	570	\$1,762,189	\$601,759	\$2,363,948	\$33.17	\$1,055.72	\$1,890,921	\$611,737	\$2,502,658
Nillumbik (S)	Vic	59,416	433	768	\$2,086,000	\$649,384	\$2,735,384	\$35.11	\$845.55	\$1,959,000	\$743,651	\$2,702,651
Hawkesbury City	NSW	61,888	2,793	877	\$2,475,496	\$1,012,408	\$3,487,904	\$40.00	\$1,154.40	\$2,566,272	\$1,050,568	\$3,616,840
Cockburn (C)	WA	65,987	138	600	\$961,024	\$709,472	\$1,670,496	\$14.56 #	\$1,182.45	\$1,017,795	\$735,227	\$1,753,022
Playford (C)	SA	66,786	345	728	\$5,017,916	\$621,213	\$5,639,129	\$75.13	\$853.31	\$5,519,707	\$649,238	\$6,168,945
Rockingham (C)	WA	68,948	261	689	\$1,004,148	\$789,054	\$1,793,202	\$14.56 #	\$1,145.22	\$1,056,298	\$827,750	\$1,884,048
Urban Fringe Large (UFL)												
Wanneroo (C)	WA	75,293	688	717	\$1,096,555	\$882,496	\$1,979,051	\$14.56 #	\$1,230.82	\$1,228,281	\$952,603	\$2,180,884

(# = Minimum Grant)

Council name	State	Population 1999	Council Total road area length		2000–2001 Actual entitlement					2001–2002 Estimated entitlement		
					General purpose	Roads	Total grant	GP grant per capita	Local Roads per km	General purpose	Roads	Total grant
Blue Mountains City	NSW	76,493	1,405	715	\$4,823,696	\$852,084	\$5,675,780	\$63.06	\$1,191.73	\$4,916,848	\$884,540	\$5,801,388
Swan (S)	WA	80,078	1,029	1,139	\$1,166,243	\$1,315,511	\$2,481,754	\$14.56 #	\$1,154.97	\$1,229,765	\$1,236,256	\$2,466,021
Gosnells (C)	WA	81,639	127	602	\$1,344,519	\$806,176	\$2,150,695	\$16.47	\$1,339.16	\$1,284,134	\$802,729	\$2,086,863
Wyndham (C)	Vic	82,871	542	643	\$4,456,000	\$791,395	\$5,247,395	\$53.77	\$1,230.79	\$5,176,000	\$732,915	\$5,908,915
Caboolture	Qld	110,173	1,229	1,510	\$1,608,000	\$1,396,924	\$3,004,924	\$14.60 #	\$925.12	\$1,677,386	\$1,437,997	\$3,115,383
Redland	Qld	111,585	537	897	\$1,628,607	\$1,203,260	\$2,831,867	\$14.60 #	\$1,341.43	\$1,720,668	\$1,237,922	\$2,958,590
Whittlesea (C)	Vic	113,703	490	624	\$5,589,000	\$822,296	\$6,411,296	\$49.15	\$1,317.78	\$5,701,000	\$804,043	\$6,505,043
Pine Rivers	Qld	114,471	773	1,061	\$1,670,730	\$1,281,405	\$2,952,135	\$14.60 #	\$1,207.73	\$1,748,226	\$1,341,377	\$3,089,603
Mornington Peninsula (S)	Vic	124,202	724	1,584	\$2,548,000	\$3,050,911	\$5,598,911	\$20.51	\$1,926.08	\$3,180,000	\$2,560,000	\$5,740,000
Urban Fringe Very Large (UFV)												
Wyong Shire	NSW	129,309	826	938	\$5,788,372	\$1,203,548	\$6,991,920	\$44.76	\$1,283.10	\$6,078,240	\$1,263,412	\$7,341,652
Hume (C)	Vic	129,589	504	806	\$5,080,000	\$1,040,053	\$6,120,053	\$39.20	\$1,290.39	\$5,765,000	\$1,012,342	\$6,777,342
Ipswich	Qld	132,605	1,817	1,672	\$3,230,191	\$1,632,540	\$4,862,731	\$24.36	\$976.40	\$3,289,305	\$1,523,978	\$4,813,283
Baulkham Hills Shire	NSW	133,679	381	724	\$1,943,384	\$974,860	\$2,918,244	\$14.54 #	\$1,346.49	\$2,036,804	\$1,013,152	\$3,049,956
Yarra Ranges (S)	Vic	141,170	2,472	1,865	\$7,164,000	\$2,171,174	\$9,335,174	\$50.75	\$1,164.17	\$7,075,000	\$2,210,372	\$9,285,372
Liverpool City	NSW	143,281	313	681	\$4,685,876	\$1,001,892	\$5,687,768	\$32.70	\$1,471.21	\$4,983,168	\$1,081,816	\$6,064,984
Onkaparinga (DC)	SA	146,957	520	1,388	\$5,497,323	\$1,398,254	\$6,895,577	\$37.41	\$1,007.39	\$5,819,766	\$1,502,172	\$7,321,938
Hornsby Shire	NSW	149,285	504	600	\$2,170,260	\$906,148	\$3,076,408	\$14.54 #	\$1,510.25	\$2,237,564	\$935,104	\$3,172,668
Campbelltown City	NSW	150,209	312	574	\$6,877,332	\$930,028	\$7,807,360	\$45.79	\$1,620.26	\$6,814,184	\$969,144	\$7,783,328
Joondalup (C)	WA	156,482	103	916	\$2,278,978	\$1,201,932	\$3,480,910	\$14.56 #	\$1,312.15	\$2,350,380	\$1,253,143	\$3,603,523
Gosford City	NSW	158,172	1,028	1,034	\$6,008,988	\$1,359,580	\$7,368,568	\$37.99	\$1,314.87	\$6,119,244	\$1,411,368	\$7,530,612
Casey (C)	Vic	167,326	410	1,004	\$7,082,000	\$1,208,769	\$8,290,769	\$42.32	\$1,203.95	\$7,481,000	\$1,201,762	\$8,682,762
Penrith City	NSW	173,393	407	912	\$6,537,668	\$1,266,836	\$7,804,504	\$37.70	\$1,389.07	\$6,761,900	\$1,322,916	\$8,084,816

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Council name	State	Population 1999	Council area	Total road length	2000-2001 Actual entitlement					2001-2002 Estimated entitlement		
					General purpose	Roads	Total grant	GP grant per capita	Local Roads per km	General purpose	Roads	Total grant
Rural Significant Growth (RSG)												
Capel (S)	WA	6,532	554	406	\$551,642	\$579,878	\$1,131,520	\$84.45	\$1,428.27	\$516,774	\$356,983	\$873,757
Dardanup (S)	WA	8,587	518	344	\$500,604	\$233,915	\$734,519	\$58.30	\$679.99	\$548,487	\$278,305	\$826,792
Augusta-Margaret River (S)	WA	9,564	2,370	862	\$540,415	\$701,218	\$1,241,633	\$56.51	\$813.48	\$457,222	\$725,550	\$1,182,772
Crow's Nest	Qld	9,589	1,628	966	\$771,534	\$400,704	\$1,172,238	\$80.46	\$414.81	\$763,571	\$405,565	\$1,169,136
Murray (S)	WA	10,156	1,813	718	\$794,039	\$483,673	\$1,277,712	\$78.18	\$673.64	\$821,436	\$587,272	\$1,408,708
Douglas	Qld	10,288	2,446	343	\$338,076	\$198,093	\$536,169	\$32.86	\$577.53	\$358,153	\$211,587	\$569,740
Serpentine-Jarrahdale (S)	WA	11,120	905	612	\$803,762	\$515,256	\$1,319,018	\$72.28	\$841.92	\$877,282	\$541,187	\$1,418,469
Greenough (S)	WA	11,711	1,748	629	\$735,370	\$351,259	\$1,086,629	\$62.79	\$558.44	\$771,258	\$401,589	\$1,172,847
Laidley	Qld	12,882	700	605	\$332,983	\$306,752	\$639,735	\$25.85	\$507.03	\$329,586	\$313,712	\$643,298
Whitsunday	Qld	15,201	2,686	542	\$349,686	\$304,283	\$653,969	\$23.00	\$561.41	\$346,052	\$313,751	\$659,803
Harvey (S)	WA	17,959	1,766	760	\$821,975	\$496,118	\$1,318,093	\$45.77	\$652.79	\$820,112	\$508,001	\$1,328,113
Surf Coast (S)	Vic	19,226	1,554	949	\$856,000	\$812,831	\$1,668,831	\$44.52	\$856.51	\$1,015,000	\$842,333	\$1,857,333
Busselton (S)	WA	21,568	1,454	955	\$414,525	\$1,134,924	\$1,549,449	\$19.22	\$1,188.40	\$350,712	\$738,553	\$1,089,265
Rural Agricultural Small (RAS)												
Nungarin (S)	WA	260	1,145	519	\$286,528	\$183,739	\$470,267	\$1,102.03	\$354.03	\$311,757	\$189,053	\$500,810
Westonia (S)	WA	305	3,268	857	\$292,061	\$300,790	\$592,851	\$957.58	\$350.98	\$299,643	\$310,857	\$610,500
Perry	Qld	351	2,354	375	\$870,831	\$128,242	\$999,073	\$2,481.00	\$341.98	\$922,041	\$125,084	\$1,047,125
Wandering (S)	WA	364	1,955	355	\$124,201	\$128,639	\$252,840	\$341.21	\$362.36	\$128,790	\$162,511	\$291,301
Windouran Shire	NSW	378	5,092	447	\$296,888	\$248,884	\$545,772	\$785.42	\$556.79	\$0	\$0	\$0
Woodanilling (S)	WA	386	1,126	515	\$199,294	\$188,576	\$387,870	\$516.31	\$366.17	\$211,270	\$225,283	\$436,553
Tammin (S)	WA	408	1,087	512	\$268,109	\$186,100	\$454,209	\$657.13	\$363.48	\$296,002	\$195,101	\$491,103
Trayning (S)	WA	502	1,632	740	\$392,981	\$283,647	\$676,628	\$782.83	\$383.31	\$417,925	\$295,110	\$713,035
Broomehill (S)	WA	553	1,376	461	\$200,082	\$186,015	\$386,097	\$361.81	\$403.50	\$199,273	\$212,889	\$412,162

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					General purpose	Roads	Total grant	GP grant per capita	Local Roads per km	General purpose	Roads	Total grant
Koorda (S)	WA	593	2,662	1,078	\$437,796	\$388,455	\$826,251	\$738.27	\$360.35	\$477,877	\$403,654	\$881,531
Mingenew (S)	WA	612	1,927	467	\$200,358	\$189,646	\$390,004	\$327.38	\$406.09	\$204,782	\$195,018	\$399,800
Perenjori (S)	WA	620	8,214	1,436	\$383,455	\$441,363	\$824,818	\$618.48	\$307.36	\$390,745	\$454,626	\$845,371
Wyalkatchem (S)	WA	631	1,743	732	\$346,406	\$269,657	\$616,063	\$548.98	\$368.38	\$363,285	\$280,139	\$643,424
Tambellup (S)	WA	705	1,437	508	\$243,298	\$198,849	\$442,147	\$345.10	\$391.44	\$256,973	\$207,782	\$464,755
Mukinbudin (S)	WA	720	3,414	912	\$338,437	\$317,483	\$655,920	\$470.05	\$348.12	\$351,969	\$327,613	\$679,582
Mount Marshall (S)	WA	749	10,134	1,725	\$501,930	\$555,790	\$1,057,720	\$670.13	\$322.20	\$515,827	\$570,710	\$1,086,537
Kent (S)	WA	765	6,552	1,310	\$208,769	\$386,913	\$595,682	\$272.90	\$295.35	\$207,800	\$399,493	\$607,293
Cuballing (S)	WA	775	1,250	550	\$286,848	\$202,494	\$489,342	\$370.13	\$368.17	\$296,378	\$303,103	\$599,481
Three Springs (S)	WA	812	2,629	698	\$280,623	\$264,552	\$545,175	\$345.59	\$379.01	\$295,355	\$296,723	\$592,078
Dowerin (S)	WA	820	1,867	940	\$387,939	\$337,255	\$725,194	\$473.10	\$358.78	\$414,356	\$352,472	\$766,828
Wickepin (S)	WA	852	1,989	870	\$331,305	\$316,207	\$647,512	\$388.86	\$363.46	\$352,248	\$329,299	\$681,547
Dumbleyung (S)	WA	860	2,553	990	\$343,393	\$352,294	\$695,687	\$399.29	\$355.85	\$368,168	\$365,379	\$733,547
Narrogin (S)	WA	870	1,618	736	\$282,803	\$259,966	\$542,769	\$325.06	\$353.21	\$287,440	\$299,142	\$586,582
Carnamah (S)	WA	900	2,834	642	\$378,941	\$241,954	\$620,895	\$421.05	\$376.88	\$407,415	\$250,644	\$658,059
Eidsvold	Qld	915	4,799	702	\$1,204,336	\$242,131	\$1,446,467	\$1,316.21	\$344.92	\$1,275,315	\$377,661	\$1,652,976
Kulin (S)	WA	920	4,790	1,447	\$302,124	\$493,671	\$795,795	\$328.40	\$341.17	\$300,723	\$513,599	\$814,322
Warroo	Qld	928	13,637	1,350	\$1,911,543	\$458,867	\$2,370,410	\$2,059.85	\$339.90	\$1,986,387	\$475,852	\$2,462,239
West Arthur (S)	WA	952	2,850	842	\$130,569	\$298,189	\$428,758	\$137.15	\$354.14	\$117,938	\$617,267	\$735,205
Flinders (M)	Tas	957	3,556	385	\$386,146	\$365,313	\$751,459	\$403.50	\$948.86	\$414,306	\$384,274	\$798,580
Chapman Valley (S)	WA	968	4,007	915	\$228,160	\$317,561	\$545,721	\$235.70	\$347.06	\$217,788	\$332,356	\$550,144
Bendemere	Qld	976	3,932	727	\$1,507,756	\$251,054	\$1,758,810	\$1,544.83	\$345.33	\$1,596,624	\$250,775	\$1,847,399
Williams (S)	WA	1,000	2,295	502	\$52,242	\$181,341	\$233,583	\$52.24	\$361.24	\$48,376	\$187,709	\$236,085
Victoria Plains (S)	WA	1,021	2,563	791	\$160,584	\$290,306	\$450,890	\$157.28	\$367.01	\$159,327	\$287,251	\$446,578

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					General purpose	Roads	Total grant	GP grant per capita	Local Roads per km	General purpose	Roads	Total grant
Goomalling (S)	WA	1,030	1,845	589	\$218,741	\$231,702	\$450,443	\$212.37	\$393.38	\$217,558	\$244,099	\$461,657
Brookton (S)	WA	1,040	1,626	538	\$245,157	\$388,652	\$633,809	\$235.73	\$722.40	\$265,821	\$208,633	\$474,454
Narembeen (S)	WA	1,040	3,821	1,414	\$420,457	\$482,759	\$903,216	\$404.29	\$341.41	\$424,931	\$500,055	\$924,986
Morawa (S)	WA	1,063	3,528	944	\$405,378	\$342,293	\$747,671	\$381.35	\$362.60	\$435,366	\$356,114	\$791,480
Orroroo/Carrieton (DC)	SA	1,094	3,313	1,627	\$337,060	\$157,882	\$494,942	\$308.10	\$97.04	\$364,939	\$157,504	\$522,443
Cranbrook (S)	WA	1,109	3,390	1,016	\$256,152	\$370,000	\$626,152	\$230.98	\$364.17	\$250,067	\$379,741	\$629,808
Mullewa (S)	WA	1,150	10,707	1,323	\$232,769	\$377,984	\$610,753	\$202.41	\$285.70	\$231,853	\$388,382	\$620,235
Kondinin (S)	WA	1,174	7,340	1,312	\$332,283	\$412,664	\$744,947	\$283.03	\$314.53	\$330,415	\$424,128	\$754,543
Pingelly (S)	WA	1,189	1,223	572	\$327,198	\$231,914	\$559,112	\$275.19	\$405.44	\$346,208	\$263,978	\$610,186
Bruce Rock (S)	WA	1,206	2,772	1,180	\$594,436	\$510,510	\$1,104,946	\$492.90	\$432.64	\$618,875	\$588,368	\$1,207,243
Franklin Harbour (DC)	SA	1,227	3,283	940	\$381,729	\$133,680	\$515,409	\$311.11	\$142.21	\$420,090	\$140,364	\$560,454
Nannup (S)	WA	1,229	2,953	449	\$368,315	\$245,736	\$614,051	\$299.69	\$547.30	\$382,963	\$377,063	\$760,026
Kimba (DC)	SA	1,238	3,975	1,697	\$340,298	\$177,856	\$518,154	\$274.88	\$104.81	\$393,174	\$634,804	\$1,027,978
Elliston (DC)	SA	1,241	6,693	1,148	\$329,228	\$198,184	\$527,412	\$265.29	\$172.63	\$349,835	\$208,093	\$557,928
Corrigin (S)	WA	1,249	3,095	1,099	\$442,668	\$431,406	\$874,074	\$354.42	\$392.54	\$458,307	\$445,822	\$904,129
Quairading (S)	WA	1,249	1,629	889	\$434,586	\$370,025	\$804,611	\$347.95	\$416.23	\$474,122	\$412,683	\$886,805
Kellerberrin (S)	WA	1,284	1,852	930	\$496,490	\$346,914	\$843,404	\$386.67	\$373.03	\$524,657	\$392,401	\$917,058
Jerramungup (S)	WA	1,300	6,540	1,091	\$264,485	\$355,018	\$619,503	\$203.45	\$325.41	\$263,258	\$365,110	\$628,368
Karoonda-East Murray (DC)	SA	1,346	4,418	1,281	\$375,408	\$292,828	\$668,236	\$278.91	\$228.59	\$450,490	\$365,752	\$816,242
Robe (DC)	SA	1,363	1,101	434	\$76,879	\$66,981	\$143,860	\$56.40	\$154.33	\$71,595	\$66,831	\$138,426
Nundle Shire	NSW	1,370	1,593	283	\$251,808	\$188,232	\$440,040	\$183.80	\$665.13	\$250,440	\$194,220	\$444,660
Cunderdin (S)	WA	1,419	1,872	803	\$430,504	\$499,133	\$929,637	\$303.39	\$621.59	\$458,531	\$353,356	\$811,887
Conargo Shire	NSW	1,448	3,737	837	\$472,668	\$465,008	\$937,676	\$326.43	\$555.57	\$821,144	\$736,916	\$1,558,060
Ravensthorpe (S)	WA	1,476	12,872	1,321	\$318,841	\$405,026	\$723,867	\$216.02	\$306.61	\$333,525	\$416,294	\$749,819

(# = Minimum Grant)

Council name	State	Population 1999	Council area	Total road length	2000–2001 Actual entitlement					2001–2002 Estimated entitlement		
					General purpose	Roads	Total grant	GP grant per capita	Local Roads per km	General purpose	Roads	Total grant
Coorow (S)	WA	1,526	4,137	865	\$360,918	\$324,913	\$685,831	\$236.51	\$375.62	\$377,170	\$339,746	\$716,916
Biggenden	Qld	1,545	1,313	497	\$1,186,585	\$178,699	\$1,365,284	\$768.02	\$359.56	\$1,256,583	\$182,304	\$1,438,887
Le Hunte (DC)	SA	1,552	5,381	1,805	\$580,989	\$522,979	\$1,103,968	\$374.35	\$289.74	\$697,186	\$252,671	\$949,857
Urana Shire	NSW	1,554	3,361	864	\$687,852	\$487,860	\$1,175,712	\$442.63	\$564.65	\$722,452	\$512,760	\$1,235,212
Wongan-Ballidu (S)	WA	1,576	3,350	1,298	\$466,641	\$525,463	\$992,104	\$296.09	\$404.83	\$493,905	\$525,691	\$1,019,596
Beverley (S)	WA	1,591	2,310	681	\$309,126	\$445,647	\$754,773	\$194.30	\$654.40	\$319,494	\$580,081	\$899,575
Boddington (S)	WA	1,647	1,932	247	\$183,405	\$191,468	\$374,873	\$111.36	\$775.17	\$200,839	\$110,655	\$311,494
Boyup Brook (S)	WA	1,668	2,838	1,048	\$269,940	\$492,947	\$762,887	\$161.83	\$470.37	\$255,833	\$426,726	\$682,559
Gnowangerup (S)	WA	1,699	5,000	978	\$303,064	\$359,906	\$662,970	\$178.38	\$368.00	\$301,658	\$372,175	\$673,833
Dalwallinu (S)	WA	1,766	7,187	1,902	\$636,548	\$691,256	\$1,327,804	\$360.45	\$363.44	\$642,468	\$718,833	\$1,361,301
King Island	Tas	1,790	1,158	421	\$354,312	\$398,554	\$752,866	\$197.94	\$946.68	\$368,353	\$422,577	\$790,930
Lake Grace (S)	WA	1,832	9,245	2,220	\$352,170	\$699,830	\$1,052,000	\$192.23	\$315.24	\$350,536	\$723,449	\$1,073,985
Flinders Ranges	SA	1,836	4,115	1,017	\$569,763	\$189,782	\$759,545	\$310.33	\$186.61	\$569,763	\$188,751	\$758,514
Booringa	Qld	1,838	27,776	2,109	\$1,865,823	\$720,290	\$2,586,113	\$1,015.14	\$341.53	\$1,846,521	\$737,171	\$2,583,692
Jerilderie Shire	NSW	1,877	3,397	996	\$707,452	\$563,148	\$1,270,600	\$376.91	\$565.41	\$739,264	\$581,436	\$1,320,700
Cleve (DC)	SA	1,910	4,498	1,476	\$501,502	\$200,146	\$701,648	\$262.57	\$135.60	\$537,661	\$209,043	\$746,704
Streaky Bay (DC)	SA	1,934	6,250	1,725	\$611,814	\$245,499	\$857,313	\$316.35	\$142.32	\$650,607	\$257,490	\$908,097
Bungil	Qld	1,942	13,312	1,663	\$2,131,814	\$571,828	\$2,703,642	\$1,097.74	\$343.85	\$2,197,341	\$600,669	\$2,798,010
Wagin (S)	WA	1,962	1,950	786	\$378,816	\$313,028	\$691,844	\$193.08	\$398.25	\$397,755	\$410,469	\$808,224
Bingara Shire	NSW	1,998	2,859	521	\$477,008	\$320,324	\$797,332	\$238.74	\$614.83	\$491,092	\$330,624	\$821,716
Rural Agricultural Medium (RAM)												
Peterborough (DC)	SA	2,138	3,013	1,223	\$645,239	\$148,435	\$793,674	\$301.80	\$121.37	\$705,388	\$154,040	\$859,428
Nebo	Qld	2,152	10,009	531	\$946,686	\$195,018	\$1,141,704	\$439.91	\$367.27	\$1,002,467	\$197,748	\$1,200,215

(# = Minimum Grant)

Council name	State	Population 1999	Council Total road area length		2000-2001 Actual entitlement					2001-2002 Estimated entitlement		
					General purpose	Roads	Total grant	GP grant per capita	Local Roads per km	General purpose	Roads	Total grant
Murrurundi Shire	NSW	2,155	2,471	475	\$345,988	\$316,804	\$662,792	\$160.55	\$666.96	\$345,428	\$326,884	\$672,312
Bauhinia	Qld	2,176	23,603	1,453	\$1,400,405	\$503,552	\$1,903,957	\$643.57	\$346.56	\$1,482,831	\$522,481	\$2,005,312
Brewarrina Shire	NSW	2,202	18,875	1,264	\$1,058,564	\$716,852	\$1,775,416	\$480.73	\$567.13	\$1,108,964	\$740,220	\$1,849,184
Barraba Shire	NSW	2,254	3,075	711	\$626,888	\$433,768	\$1,060,656	\$278.12	\$610.08	\$667,088	\$447,056	\$1,114,144
Merriwa Shire	NSW	2,254	3,508	548	\$434,096	\$319,528	\$753,624	\$192.59	\$583.08	\$429,124	\$329,680	\$758,804
Tasman (M)	Tas	2,257	660	207	\$268,480	\$215,325	\$483,805	\$118.95	\$1,040.22	\$275,343	\$229,805	\$505,148
Southern Mallee (DC)	SA	2,265	5,715	1,311	\$537,602	\$226,151	\$763,753	\$237.35	\$172.50	\$579,675	\$235,958	\$815,633
Yilgarn (S)	WA	2,270	30,720	2,720	\$470,007	\$708,448	\$1,178,455	\$207.05	\$260.46	\$400,856	\$727,054	\$1,127,910
Gunning Shire	NSW	2,303	2,200	482	\$432,532	\$291,140	\$723,672	\$187.81	\$604.02	\$452,212	\$357,416	\$809,628
Kojonup (S)	WA	2,355	2,937	1,130	\$297,092	\$635,093	\$932,185	\$126.15	\$562.03	\$301,157	\$493,774	\$794,931
Clifton	Qld	2,388	866	538	\$1,163,799	\$199,336	\$1,363,135	\$487.35	\$370.51	\$1,232,545	\$236,791	\$1,469,336
Kingston (DC)	SA	2,457	3,363	714	\$182,257	\$144,202	\$326,459	\$74.18	\$201.96	\$218,709	\$150,271	\$368,980
Mundubbera	Qld	2,470	4,185	767	\$945,234	\$276,659	\$1,221,893	\$382.69	\$360.70	\$1,000,930	\$282,677	\$1,283,607
Barunga West (DC)	SA	2,472	1,583	1,038	\$290,543	\$124,189	\$414,732	\$117.53	\$119.64	\$271,250	\$128,822	\$400,072
Boorowa	NSW	2,482	2,600	730	\$490,236	\$420,056	\$910,292	\$197.52	\$575.42	\$495,280	\$452,296	\$947,576
Central Highlands (M)	Tas	2,508	8,010	748	\$576,079	\$771,205	\$1,347,284	\$229.70	\$1,031.02	\$565,176	\$834,767	\$1,399,943
Moora (S)	WA	2,535	3,788	938	\$305,100	\$397,340	\$702,440	\$120.36	\$423.60	\$316,707	\$446,330	\$763,037
Holbrook Shire	NSW	2,543	2,590	431	\$487,164	\$287,944	\$775,108	\$191.57	\$668.08	\$495,476	\$297,136	\$792,612
Chittering (S)	WA	2,594	1,188	359	\$299,709	\$196,119	\$495,828	\$115.54	\$546.29	\$299,230	\$208,188	\$507,418
Tallaganda Shire	NSW	2,606	3,351	580	\$578,840	\$365,532	\$944,372	\$222.12	\$630.23	\$576,632	\$392,392	\$969,024
Taroom	Qld	2,620	18,609	2,085	\$2,485,424	\$718,559	\$3,203,983	\$948.64	\$344.63	\$2,631,814	\$696,835	\$3,328,649
Murrumbidgee Shire	NSW	2,642	3,408	588	\$588,352	\$339,860	\$928,212	\$222.69	\$577.99	\$603,200	\$351,468	\$954,668
Waggamba	Qld	2,684	13,385	1,523	\$1,681,243	\$531,043	\$2,212,286	\$626.39	\$348.68	\$1,663,420	\$543,438	\$2,206,858
Inglewood	Qld	2,700	5,871	949	\$983,005	\$339,326	\$1,322,331	\$364.08	\$357.56	\$1,040,918	\$346,459	\$1,387,377

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Council name	State	Population 1999	Council area	Total road length	2000–2001 Actual entitlement					2001–2002 Estimated entitlement		
					General purpose	Roads	Total grant	GP grant per capita	Local Roads per km	General purpose	Roads	Total grant
Murilla	Qld	2,703	6,052	1,081	\$1,278,517	\$383,297	\$1,661,814	\$473.00	\$354.58	\$1,353,840	\$419,795	\$1,773,635
Tumby Bay (DC)	SA	2,725	2,674	1,088	\$286,123	\$148,401	\$434,524	\$105.00	\$136.40	\$295,866	\$154,722	\$450,588
Monto	Qld	2,728	4,313	1,130	\$1,384,017	\$400,056	\$1,784,073	\$507.34	\$354.03	\$1,465,546	\$371,146	\$1,836,692
Mount Morgan	Qld	2,759	491	173	\$821,502	\$80,194	\$901,696	\$297.75	\$463.55	\$870,120	\$82,946	\$953,066
Gayndah	Qld	2,768	2,704	623	\$965,289	\$230,908	\$1,196,197	\$348.73	\$370.64	\$1,022,173	\$255,028	\$1,277,201
Bombala	NSW	2,846	3,945	628	\$658,928	\$402,392	\$1,061,320	\$231.53	\$640.75	\$654,796	\$414,552	\$1,069,348
Millmerran	Qld	2,881	4,514	1,142	\$571,470	\$405,341	\$976,811	\$198.36	\$354.94	\$605,108	\$412,891	\$1,017,999
Severn Shire	NSW	2,925	5,826	978	\$607,188	\$644,360	\$1,251,548	\$207.59	\$658.85	\$642,172	\$665,248	\$1,307,420
Balaranald Shire	NSW	2,938	21,419	1,272	\$1,008,000	\$704,608	\$1,712,608	\$343.09	\$553.94	\$1,056,772	\$727,208	\$1,783,980
Dandaragan (S)	WA	2,952	6,934	1,185	\$331,484	\$497,605	\$829,089	\$112.29	\$419.92	\$338,344	\$507,362	\$845,706
Peak Downs	Qld	2,971	8,107	889	\$1,695,893	\$321,384	\$2,017,277	\$570.82	\$361.51	\$1,795,787	\$331,821	\$2,127,608
Irwin (S)	WA	3,025	2,223	388	\$283,270	\$160,237	\$443,507	\$93.64	\$412.98	\$308,444	\$166,191	\$474,635
Mount Remarkable (DC)	SA	3,027	3,415	2,068	\$689,430	\$221,184	\$910,614	\$227.76	\$106.96	\$740,430	\$229,368	\$969,798
Woocoo	Qld	3,031	2,002	536	\$994,097	\$203,773	\$1,197,870	\$327.98	\$380.17	\$1,052,686	\$214,116	\$1,266,802
York (S)	WA	3,050	2,010	658	\$414,908	\$528,279	\$943,187	\$136.04	\$802.86	\$389,829	\$438,808	\$828,637
Carrathool Shire	NSW	3,100	18,976	2,328	\$1,510,588	\$1,291,664	\$2,802,252	\$487.29	\$554.84	\$1,627,688	\$1,332,828	\$2,960,516
Northampton (S)	WA	3,135	13,513	1,049	\$449,910	\$404,232	\$854,142	\$143.51	\$385.35	\$446,160	\$437,288	\$883,448
Yallaroi Shire	NSW	3,163	5,348	1,288	\$805,296	\$732,008	\$1,537,304	\$254.60	\$568.33	\$817,328	\$755,456	\$1,572,784
Kilcoy	Qld	3,204	1,442	446	\$658,042	\$175,204	\$833,246	\$205.38	\$392.83	\$696,899	\$178,899	\$875,798
Walcha	NSW	3,236	6,410	766	\$479,656	\$489,168	\$968,824	\$148.22	\$638.60	\$508,680	\$504,712	\$1,013,392
Bogan Shire	NSW	3,252	14,610	1,410	\$1,118,224	\$814,340	\$1,932,564	\$343.86	\$577.55	\$1,164,780	\$840,728	\$2,005,508
Kilkivan	Qld	3,272	3,258	735	\$889,329	\$272,247	\$1,161,576	\$271.80	\$370.40	\$941,682	\$279,836	\$1,221,518
Manilla Shire	NSW	3,275	2,245	558	\$566,352	\$370,164	\$936,516	\$172.93	\$663.38	\$577,164	\$381,996	\$959,160
Warren Shire	NSW	3,345	10,860	956	\$831,992	\$572,924	\$1,404,916	\$248.73	\$599.29	\$823,360	\$591,348	\$1,414,708

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Council name	State	Population 1999	Council Total road area length		2000-2001 Actual entitlement					2001-2002 Estimated entitlement		
					General purpose	Roads	Total grant	GP grant per capita	Local Roads per km	General purpose	Roads	Total grant
Northam (S)	WA	3,349	1,419	612	\$536,886	\$473,027	\$1,009,913	\$160.31	\$772.92	\$529,896	\$443,613	\$973,509
Warooka (S)	WA	3,377	835	336	\$393,000	\$235,739	\$628,739	\$116.38	\$701.60	\$387,086	\$241,871	\$628,957
Murgon	Qld	3,441	694	369	\$892,164	\$151,335	\$1,043,499	\$259.27	\$410.12	\$944,836	\$154,368	\$1,099,204
Lockhart Shire	NSW	3,464	2,930	1,482	\$1,161,336	\$877,952	\$2,039,288	\$335.26	\$592.41	\$1,239,740	\$913,520	\$2,153,260
Dalrymple	Qld	3,465	68,166	2,922	\$2,112,805	\$1,005,313	\$3,118,118	\$609.76	\$344.05	\$2,223,445	\$1,168,274	\$3,391,719
Ceduna (DC)	SA	3,556	5,445	1,671	\$1,020,610	\$232,110	\$1,252,720	\$287.01	\$138.90	\$1,111,987	\$243,715	\$1,355,702
Tara	Qld	3,557	11,661	1,778	\$2,472,820	\$623,397	\$3,096,217	\$695.20	\$350.62	\$2,618,526	\$636,441	\$3,254,967
Toodyay (S)	WA	3,640	1,683	624	\$533,297	\$364,126	\$897,423	\$146.51	\$583.54	\$524,337	\$614,926	\$1,139,263
Tumbarumba Shire	NSW	3,673	4,380	471	\$697,440	\$327,260	\$1,024,700	\$189.88	\$694.82	\$707,672	\$336,788	\$1,044,460
Weddin Shire	NSW	3,698	3,427	968	\$891,724	\$560,792	\$1,452,516	\$241.14	\$579.33	\$924,264	\$578,244	\$1,502,508
Hay Shire	NSW	3,703	11,438	765	\$970,412	\$446,892	\$1,417,304	\$262.06	\$584.17	\$992,548	\$460,828	\$1,453,376
Rylstone Shire	NSW	3,724	3,832	576	\$702,044	\$378,492	\$1,080,536	\$188.52	\$657.10	\$703,056	\$390,312	\$1,093,368
Gundagai Shire	NSW	3,732	2,448	656	\$586,700	\$439,900	\$1,026,600	\$157.21	\$670.58	\$588,576	\$462,220	\$1,050,796
Harden Shire	NSW	3,774	1,863	899	\$910,972	\$537,252	\$1,448,224	\$241.38	\$597.61	\$955,188	\$554,572	\$1,509,760
Bourke Shire	NSW	3,781	43,117	1,882	\$1,610,068	\$1,056,900	\$2,666,968	\$425.83	\$561.58	\$1,694,196	\$1,090,588	\$2,784,784
Merredin (S)	WA	3,808	3,372	1,277	\$680,981	\$497,304	\$1,178,285	\$178.83	\$389.43	\$693,359	\$511,540	\$1,204,899
Coolah Shire	NSW	3,817	4,792	968	\$953,164	\$580,656	\$1,533,820	\$249.72	\$599.85	\$974,704	\$600,136	\$1,574,840
Yankalilla (DC)	SA	3,864	761	528	\$93,980	\$78,509	\$172,489	\$24.32	\$148.69	\$83,980	\$82,185	\$166,165
Gingin (S)	WA	3,884	3,325	783	\$298,725	\$466,629	\$765,354	\$76.91	\$595.95	\$265,068	\$498,873	\$763,941
Coolamon Shire	NSW	3,946	2,424	1,275	\$1,110,148	\$717,172	\$1,827,320	\$281.34	\$562.49	\$1,165,400	\$740,708	\$1,906,108
Wondai	Qld	4,051	3,571	947	\$1,371,347	\$349,524	\$1,720,871	\$338.52	\$369.09	\$1,452,158	\$358,888	\$1,811,046
Lower Eyre Peninsula (DC)	SA	4,092	4,763	1,335	\$374,994	\$211,773	\$586,767	\$91.64	\$158.63	\$349,441	\$222,227	\$571,668
Culcairn Shire	NSW	4,116	1,581	800	\$863,132	\$477,568	\$1,340,700	\$209.70	\$596.96	\$875,336	\$492,116	\$1,367,452
Bridgetown-Greenbushes (S)	WA	4,118	1,691	715	\$610,852	\$400,300	\$1,011,152	\$148.34	\$559.86	\$611,277	\$482,207	\$1,093,484

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Council name	State	Population 1999	Council Total road area length		2000–2001 Actual entitlement					2001–2002 Estimated entitlement		
					General purpose	Roads	Total grant	GP grant per capita	Local Roads per km	General purpose	Roads	Total grant
Glamorgan - Spring Bay (M)	Tas	4,174	654	348	\$395,069	\$443,199	\$838,268	\$94.65	\$1,273.56	\$433,809	\$470,759	\$904,568
Copmanhurst Shire	NSW	4,246	3,144	500	\$741,344	\$403,684	\$1,145,028	\$174.60	\$807.37	\$739,904	\$418,108	\$1,158,012
Guyra Shire	NSW	4,285	4,371	864	\$762,908	\$530,280	\$1,293,188	\$178.04	\$613.75	\$797,744	\$547,012	\$1,344,756
Crookwell Shire	NSW	4,335	3,440	880	\$663,952	\$544,300	\$1,208,252	\$153.16	\$618.52	\$673,360	\$561,280	\$1,234,640
Kangaroo Island	SA	4,387	4,443	1,359	\$710,577	\$222,546	\$933,123	\$161.97	\$163.76	\$807,606	\$232,306	\$1,039,912
Plantagenet (S)	WA	4,400	4,792	1,244	\$328,876	\$474,807	\$803,683	\$74.74	\$381.68	\$292,929	\$522,401	\$815,330
Pittsworth	Qld	4,417	1,087	677	\$390,243	\$262,316	\$652,559	\$88.35	\$387.47	\$413,422	\$245,438	\$658,860
Denmark (S)	WA	4,421	1,842	600	\$456,172	\$431,787	\$887,959	\$103.18	\$719.65	\$441,696	\$266,588	\$708,284
Goyder (RG)	SA	4,452	6,702	3,220	\$994,356	\$388,226	\$1,382,582	\$223.35	\$120.57	\$1,106,403	\$404,408	\$1,510,811
Donnybrook-Balingup (S)	WA	4,489	1,541	654	\$586,837	\$534,868	\$1,121,705	\$130.73	\$817.84	\$585,903	\$849,355	\$1,435,258
Katanning (S)	WA	4,525	1,523	701	\$713,393	\$336,666	\$1,050,059	\$157.66	\$480.27	\$731,966	\$352,422	\$1,084,388
Cambooya	Qld	4,539	631	426	\$528,037	\$179,153	\$707,190	\$116.33	\$420.55	\$559,148	\$181,022	\$740,170
Miriam Vale	Qld	4,557	3,775	804	\$1,678,431	\$305,791	\$1,984,222	\$368.32	\$380.34	\$1,777,400	\$340,356	\$2,117,756
Oberon	NSW	4,649	2,924	734	\$702,484	\$446,308	\$1,148,792	\$151.10	\$608.05	\$733,744	\$460,836	\$1,194,580
Tiaro	Qld	4,652	2,189	660	\$841,245	\$258,465	\$1,099,710	\$180.84	\$391.61	\$890,810	\$262,015	\$1,152,825
Gilgandra Shire	NSW	4,746	4,818	1,231	\$1,055,540	\$733,576	\$1,789,116	\$222.41	\$595.92	\$1,076,336	\$756,528	\$1,832,864
Wakool Shire	NSW	4,789	7,549	1,273	\$1,138,708	\$816,176	\$1,954,884	\$237.78	\$641.14	\$1,173,256	\$842,004	\$2,015,260
Kolan	Qld	4,794	2,646	743	\$1,236,553	\$287,241	\$1,523,794	\$257.94	\$386.60	\$1,309,410	\$295,678	\$1,605,088
Quirindi Shire	NSW	4,815	3,047	796	\$800,232	\$489,248	\$1,289,480	\$166.20	\$614.63	\$818,192	\$505,340	\$1,323,532
Balonne	Qld	4,864	31,096	2,429	\$924,200	\$851,777	\$1,775,977	\$190.01	\$350.67	\$954,794	\$822,162	\$1,776,956
Coonamble Shire	NSW	4,872	9,955	1,386	\$1,239,160	\$812,368	\$2,051,528	\$254.34	\$586.12	\$1,266,616	\$838,400	\$2,105,016
Gloucester Shire	NSW	4,943	2,918	621	\$732,216	\$493,768	\$1,225,984	\$148.13	\$795.12	\$727,320	\$509,944	\$1,237,264

(# = Minimum Grant)

Council name	State	Population 1999	Council area	Total road length	2000-2001 Actual entitlement					2001-2002 Estimated entitlement		
					General purpose	Roads	Total grant	GP grant per capita	Local Roads per km	General purpose	Roads	Total grant
Rural Agricultural Large (RAL)												
Northern Areas	SA	4,817	2,980	1,954	\$643,423	\$606,815	\$1,250,238	\$133.57	\$310.55	\$634,230	\$677,932	\$1,312,162
West Wimmera (S)	Vic	4,965	9,099	3,045	\$963,000	\$854,648	\$1,817,648	\$193.96	\$280.67	\$1,088,000	\$1,008,329	\$2,096,329
Evans Shire	NSW	5,200	4,278	998	\$637,732	\$647,660	\$1,285,392	\$122.64	\$648.96	\$648,884	\$669,060	\$1,317,944
Mirani	Qld	5,236	3,272	431	\$490,725	\$186,668	\$677,393	\$93.72	\$433.10	\$485,646	\$190,829	\$676,475
Wambo	Qld	5,250	5,703	1,740	\$1,288,417	\$624,324	\$1,912,741	\$245.41	\$358.81	\$1,364,700	\$634,988	\$1,999,688
Kentish (M)	Tas	5,495	5,620	485	\$655,181	\$684,472	\$1,339,653	\$119.23	\$1,411.28	\$690,349	\$718,346	\$1,408,695
Herberton	Qld	5,520	9,567	885	\$1,516,772	\$340,812	\$1,857,584	\$274.78	\$385.10	\$1,606,160	\$364,444	\$1,970,604
Southern Midlands (M)	Tas	5,610	2,561	841	\$745,627	\$1,282,517	\$2,028,144	\$132.91	\$1,524.99	\$767,573	\$1,258,766	\$2,026,339
West Coast (M)	Tas	5,695	9,750	176	\$692,753	\$368,672	\$1,061,425	\$121.64	\$2,094.73	\$694,321	\$395,518	\$1,089,839
Chinchilla	Qld	5,755	8,685	2,565	\$1,653,077	\$904,475	\$2,557,552	\$287.24	\$352.62	\$1,750,281	\$923,761	\$2,674,042
Uralla Shire	NSW	5,757	3,215	817	\$797,536	\$528,740	\$1,326,276	\$138.53	\$647.17	\$826,852	\$545,000	\$1,371,852
Break O'day (M)	Tas	5,786	3,196	556	\$680,008	\$876,753	\$1,556,761	\$117.53	\$1,576.89	\$715,963	\$961,581	\$1,677,544
Murray Shire	NSW	5,832	4,328	1,249	\$972,480	\$779,408	\$1,751,888	\$166.75	\$624.03	\$999,356	\$800,160	\$1,799,516
June Shire	NSW	5,897	2,045	817	\$1,056,560	\$498,236	\$1,554,796	\$179.17	\$609.84	\$1,077,728	\$514,644	\$1,592,372
Temora Shire	NSW	5,923	2,813	1,134	\$1,108,124	\$683,568	\$1,791,692	\$187.09	\$602.79	\$1,104,616	\$705,960	\$1,810,576
Isis	Qld	5,997	1,699	678	\$621,325	\$275,472	\$896,797	\$103.61	\$406.30	\$658,207	\$285,111	\$943,318
Coorong (DC)	SA	6,033	8,902	1,875	\$923,126	\$395,605	\$1,318,731	\$153.01	\$210.99	\$1,044,317	\$822,804	\$1,867,121
Mulwree Shire	NSW	6,206	5,207	1,232	\$843,712	\$787,856	\$1,631,568	\$135.95	\$639.49	\$887,084	\$815,316	\$1,702,400
Carnarvon (S)	WA	6,308	53,000	1,418	\$1,752,870	\$618,050	\$2,370,920	\$277.88	\$435.86	\$1,887,830	\$632,005	\$2,519,835
Towong (S)	Vic	6,316	6,680	1,304	\$809,000	\$595,658	\$1,404,658	\$128.09	\$456.79	\$924,000	\$735,624	\$1,659,624
Bland Shire	NSW	6,319	8,457	2,894	\$1,983,836	\$1,613,016	\$3,596,852	\$313.95	\$557.37	\$2,118,520	\$1,665,208	\$3,783,728
Blayney Shire	NSW	6,396	1,619	700	\$882,920	\$468,848	\$1,351,768	\$138.04	\$669.78	\$888,876	\$483,400	\$1,372,276
Snowy River Shire	NSW	6,439	6,035	721	\$1,166,224	\$480,872	\$1,647,096	\$181.12	\$666.95	\$1,165,328	\$497,804	\$1,663,132

(# = Minimum Grant)

Council name	State	Population 1999	Council area	Total road length	2000–2001 Actual entitlement					2001–2002 Estimated entitlement		
					General purpose	Roads	Total grant	GP grant per capita	Local Roads per km	General purpose	Roads	Total grant
Eacham	Qld	6,451	1,123	438	\$793,936	\$198,676	\$992,612	\$123.07	\$453.60	\$841,036	\$202,824	\$1,043,860
Wakefield (RG)	SA	6,499	3,468	2,695	\$856,317	\$301,679	\$1,157,996	\$131.76	\$111.94	\$919,628	\$312,983	\$1,232,611
Narromine Shire	NSW	6,598	5,224	1,330	\$1,481,052	\$777,808	\$2,258,860	\$224.47	\$584.82	\$1,528,304	\$803,392	\$2,331,696
Hindmarsh (S)	Vic	6,611	7,576	3,036	\$1,129,750	\$634,318	\$1,764,068	\$170.89	\$208.93	\$1,156,000	\$698,673	\$1,854,673
Tenterfield Shire	NSW	6,624	7,124	1,381	\$1,292,000	\$884,844	\$2,176,844	\$195.05	\$640.73	\$1,340,228	\$919,840	\$2,260,068
Pyrenees (S)	Vic	6,731	3,434	2,111	\$1,118,000	\$924,846	\$2,042,846	\$166.10	\$438.11	\$1,140,000	\$1,058,059	\$2,198,059
Coonabarabran Shire	NSW	6,778	7,674	1,259	\$1,396,548	\$763,108	\$2,159,656	\$206.04	\$606.12	\$1,427,016	\$786,804	\$2,213,820
George Town (M)	Tas	6,780	1,992	284	\$563,917	\$397,201	\$961,118	\$83.17	\$1,398.60	\$577,491	\$407,615	\$985,106
Narrandera Shire	NSW	6,860	4,140	1,450	\$1,442,464	\$858,228	\$2,300,692	\$210.27	\$591.88	\$1,506,380	\$891,536	\$2,397,916
Boonah	Qld	7,013	1,489	718	\$769,297	\$296,740	\$1,066,037	\$109.70	\$413.29	\$837,935	\$363,557	\$1,201,492
Tatiana (DC)	SA	7,074	6,542	1,942	\$716,011	\$327,852	\$1,043,863	\$101.22	\$168.82	\$859,213	\$341,348	\$1,200,561
Wentworth Shire	NSW	7,101	26,170	1,944	\$1,901,704	\$1,119,396	\$3,021,100	\$267.81	\$575.82	\$1,969,952	\$1,156,220	\$3,126,172
Broadsound	Qld	7,174	18,499	1,093	\$1,732,512	\$423,634	\$2,156,146	\$241.50	\$387.59	\$1,834,526	\$447,144	\$2,281,670
Hume Shire	NSW	7,235	1,924	694	\$810,788	\$450,760	\$1,261,548	\$112.06	\$649.51	\$819,016	\$467,012	\$1,286,028
Mallala (DC)	SA	7,246	934	942	\$478,999	\$137,278	\$616,277	\$66.11	\$145.73	\$559,649	\$142,978	\$702,627
Lachlan Shire	NSW	7,304	15,359	3,245	\$2,490,056	\$1,825,106	\$4,315,162	\$340.92	\$562.44	\$2,613,788	\$1,880,368	\$4,494,156
Dorset (M)	Tas	7,415	1,112	738	\$798,463	\$1,095,728	\$1,894,191	\$107.68	\$1,484.73	\$822,016	\$1,155,091	\$1,977,107
Cootamundra Shire	NSW	7,463	1,525	542	\$1,035,340	\$397,856	\$1,433,196	\$138.73	\$734.05	\$1,042,100	\$410,112	\$1,452,212
Buloke (S)	Vic	7,526	8,002	5,427	\$1,726,000	\$1,122,735	\$2,848,735	\$229.34	\$206.88	\$1,723,000	\$1,158,005	\$2,881,005
Duringa	Qld	7,752	18,102	1,291	\$916,859	\$494,502	\$1,411,361	\$118.27	\$383.04	\$970,608	\$503,734	\$1,474,342
Dungog Shire	NSW	7,883	2,248	599	\$972,704	\$500,648	\$1,473,352	\$123.39	\$835.81	\$949,212	\$523,204	\$1,472,416
Latrobe (M)	Tas	8,008	717	264	\$444,043	\$349,761	\$793,804	\$55.45	\$1,324.85	\$481,484	\$362,686	\$844,170
Grant (DC)	SA	8,048	1,928	1,587	\$642,571	\$404,016	\$1,046,587	\$79.84	\$254.58	\$705,096	\$211,597	\$916,693
Naracoorte Lucindale	SA	8,114	4,540	1,579	\$942,187	\$311,102	\$1,253,289	\$116.12	\$197.02	\$1,070,439	\$309,036	\$1,379,475

(# = Minimum Grant)

Council name	State	Population 1999	Council area	Total road length	2000-2001 Actual entitlement					2001-2002 Estimated entitlement		
					General purpose	Roads	Total grant	GP grant per capita	Local Roads per km	General purpose	Roads	Total grant
Mid Murray	SA	8,143	6,266	3,358	\$1,520,803	\$491,982	\$2,012,785	\$186.76	\$146.51	\$1,603,093	\$397,619	\$2,000,712
Berrigan Shire	NSW	8,148	2,049	1,322	\$1,476,132	\$792,228	\$2,268,360	\$181.16	\$599.26	\$1,545,676	\$817,716	\$2,363,392
Nanango	Qld	8,217	1,732	886	\$1,222,066	\$362,977	\$1,585,043	\$148.72	\$409.68	\$1,294,073	\$374,628	\$1,668,701
Walgett Shire	NSW	8,301	22,007	1,950	\$1,812,056	\$1,172,404	\$2,984,460	\$218.29	\$601.23	\$1,873,204	\$1,209,964	\$3,083,168
Clare and Gilbert Valleys	SA	8,310	1,890	1,815	\$493,885	\$224,851	\$718,736	\$59.43	\$123.88	\$444,497	\$233,772	\$678,269
Rosalie	Qld	8,348	2,196	1,351	\$1,605,490	\$519,528	\$2,125,018	\$192.32	\$384.55	\$1,700,064	\$531,060	\$2,231,124
Corowa Shire	NSW	8,419	2,194	1,204	\$1,394,676	\$740,988	\$2,135,664	\$165.66	\$615.44	\$1,481,140	\$765,600	\$2,246,740
Circular Head (M)	Tas	8,515	4,917	768	\$821,197	\$907,588	\$1,728,785	\$96.44	\$1,181.76	\$840,792	\$965,873	\$1,806,665
Yarriambiack (S)	Vic	8,562	7,314	4,765	\$1,476,000	\$944,417	\$2,420,417	\$172.39	\$198.20	\$1,534,000	\$995,466	\$2,529,466
Wellington	NSW	8,689	4,076	1,243	\$1,498,908	\$771,432	\$2,270,340	\$172.51	\$620.62	\$1,507,672	\$795,044	\$2,302,716
Collie (S)	WA	8,788	1,685	413	\$932,755	\$311,890	\$1,244,645	\$106.14	\$755.18	\$997,706	\$386,498	\$1,384,204
Loddon (S)	Vic	8,852	6,695	4,696	\$1,723,000	\$1,505,505	\$3,228,505	\$194.65	\$320.59	\$1,720,000	\$1,677,012	\$3,397,012
Strathbogie (S)	Vic	9,322	3,302	2,153	\$1,231,000	\$1,037,051	\$2,268,051	\$132.05	\$481.68	\$1,505,000	\$1,143,523	\$2,648,523
Cooma-Monaro Shire	NSW	9,382	4,881	840	\$1,418,008	\$576,484	\$1,994,492	\$151.14	\$686.29	\$1,421,660	\$593,552	\$2,015,212
Yass Shire	NSW	9,412	3,416	890	\$1,108,684	\$599,400	\$1,708,084	\$117.79	\$673.48	\$1,068,280	\$624,768	\$1,693,048
Yarrowlumla Shire	NSW	9,596	2,970	576	\$667,168	\$442,652	\$1,109,820	\$69.53	\$768.49	\$656,544	\$460,448	\$1,116,992
Cardwell	Qld	9,661	3,056	550	\$412,074	\$262,185	\$674,259	\$42.65	\$476.70	\$407,768	\$270,423	\$678,191
Scone Shire	NSW	9,699	4,028	814	\$996,180	\$602,312	\$1,598,492	\$102.71	\$739.94	\$998,372	\$620,716	\$1,619,088
Renmark Paringa (DC)	SA	9,763	902	470	\$1,257,139	\$411,230	\$1,668,369	\$128.77	\$874.96	\$1,287,510	\$141,669	\$1,429,179
Derwent Valley (M)	Tas	9,811	3,821	330	\$581,637	\$476,680	\$1,058,317	\$59.28	\$1,444.48	\$610,664	\$489,557	\$1,100,221
Kyogle	NSW	9,811	3,589	1,022	\$1,340,240	\$885,804	\$2,226,044	\$136.61	\$866.74	\$1,366,992	\$912,360	\$2,279,352
Stanthorpe	Qld	9,944	2,689	1,130	\$1,021,985	\$458,396	\$1,480,381	\$102.77	\$405.66	\$1,048,186	\$468,320	\$1,516,506
Fitzroy	Qld	9,960	5,892	1,323	\$968,326	\$523,010	\$1,491,336	\$97.22	\$395.32	\$1,025,620	\$532,825	\$1,558,445

Council name	State	Population 1999	Council area	Total road length	2000–2001 Actual entitlement					2001–2002 Estimated entitlement		
					General purpose	Roads	Total grant	GP grant per capita	Local Roads per km	General purpose	Roads	Total grant
Rural Agricultural Very Large (RAV)												
Sarina	Qld	9,923	1,441	389	\$553,691	\$210,524	\$764,215	\$55.80	\$541.19	\$547,959	\$215,740	\$763,699
Light (RC)	SA	10,012	1,276	1,542	\$309,357	\$375,302	\$684,659	\$30.90	\$243.39	\$275,357	\$465,577	\$740,934
Forbes Shire	NSW	10,160	4,713	1,800	\$1,878,568	\$1,113,748	\$2,992,316	\$184.90	\$618.75	\$1,964,660	\$1,146,848	\$3,111,508
Victor Harbor	SA	10,217	387	377	\$160,561	\$516,998	\$677,559	\$15.72	\$1,371.35	\$155,149	\$622,580	\$777,729
Atherton	Qld	10,469	621	379	\$273,689	\$211,465	\$485,154	\$26.14	\$557.96	\$270,872	\$225,921	\$496,793
Manjimup (S)	WA	10,530	6,894	1,333	\$1,360,672	\$834,675	\$2,195,347	\$129.22	\$626.16	\$1,283,514	\$920,355	\$2,203,869
Copper Coast (DC)	SA	10,611	778	944	\$1,011,671	\$165,236	\$1,176,907	\$95.34	\$175.04	\$1,047,595	\$171,937	\$1,219,532
Belyando	Qld	10,672	30,204	1,826	\$2,091,617	\$697,207	\$2,788,824	\$195.99	\$381.82	\$2,214,689	\$711,762	\$2,926,451
Pristine Waters	NSW	10,676	6,873	1,030	\$1,717,644	\$780,276	\$2,497,920	\$160.89	\$757.55	\$1,700,920	\$805,088	\$2,506,008
Sorell (M)	Tas	10,927	590	334	\$644,692	\$522,817	\$1,167,509	\$59.00	\$1,565.32	\$654,352	\$537,753	\$1,192,105
Tumut Shire	NSW	11,112	3,752	562	\$1,329,168	\$448,968	\$1,778,136	\$119.62	\$798.88	\$1,354,732	\$459,852	\$1,814,584
Young Shire	NSW	11,414	2,670	1,056	\$1,285,712	\$700,924	\$1,986,636	\$112.64	\$663.75	\$1,310,036	\$729,748	\$2,039,784
Berri and Barmera	SA	11,423	508	408	\$1,075,795	\$138,092	\$1,213,887	\$94.18	\$338.46	\$1,070,550	\$143,564	\$1,214,114
Kingaroy	Qld	11,490	2,417	1,154	\$963,315	\$478,971	\$1,442,286	\$83.84	\$415.05	\$1,020,504	\$489,152	\$1,509,656
Leeton Shire	NSW	11,531	1,132	832	\$1,346,736	\$556,252	\$1,902,988	\$116.79	\$668.57	\$1,381,520	\$579,736	\$1,961,256
Yorke Peninsula (DC)	SA	11,714	5,934	3,873	\$1,175,073	\$480,920	\$1,655,993	\$100.31	\$124.17	\$1,080,896	\$500,072	\$1,580,968
Northern Midlands (M)	Tas	11,778	5,130	973	\$1,172,675	\$1,316,420	\$2,489,095	\$99.56	\$1,352.95	\$1,201,930	\$1,376,818	\$2,578,748
Parry Shire	NSW	11,922	4,386	1,379	\$1,170,116	\$976,740	\$2,146,856	\$98.15	\$708.30	\$1,197,924	\$1,011,364	\$2,209,288
Jondaryan	Qld	11,928	1,906	1,015	\$622,535	\$435,992	\$1,058,527	\$52.19	\$429.55	\$616,121	\$447,944	\$1,064,065
Gannawarra (S)	Vic	12,017	3,741	2,452	\$1,355,000	\$939,741	\$2,294,741	\$112.76	\$383.25	\$1,327,000	\$999,722	\$2,326,722
Cabonne	NSW	12,133	6,018	1,814	\$1,493,968	\$1,155,444	\$2,649,412	\$123.13	\$636.96	\$1,515,356	\$1,194,056	\$2,709,412
Loxton Waikerie (DC)	SA	12,409	7,981	2,299	\$1,570,298	\$421,681	\$1,991,979	\$126.55	\$183.42	\$1,547,736	\$440,276	\$1,988,012
Alpine (S)	Vic	12,469	4,834	653	\$1,161,000	\$553,237	\$1,714,237	\$93.11	\$847.22	\$1,167,000	\$602,769	\$1,769,769

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Council name	State	Population 1999	Council Total road area length		2000-2001 Actual entitlement					2001-2002 Estimated entitlement		
					General purpose	Roads	Total grant	GP grant per capita	Local Roads per km	General purpose	Roads	Total grant
Cowra Shire	NSW	12,584	2,724	1,240	\$1,606,532	\$834,352	\$2,440,884	\$127.66	\$672.86	\$1,634,528	\$829,824	\$2,464,352
Gunnedah Shire	NSW	12,647	5,092	1,344	\$1,483,044	\$880,588	\$2,363,632	\$117.26	\$655.20	\$1,523,704	\$909,496	\$2,433,200
Bellingen Shire	NSW	12,671	1,605	474	\$1,416,588	\$473,208	\$1,889,796	\$111.80	\$998.33	\$1,450,384	\$487,672	\$1,938,056
Wattle Range	SA	12,674	3,952	2,437	\$1,124,004	\$337,089	\$1,461,093	\$88.69	\$138.32	\$1,045,543	\$337,000	\$1,382,543
Central Goldfields (S)	Vic	12,701	1,535	1,256	\$1,410,000	\$740,772	\$2,150,772	\$111.01	\$589.79	\$1,423,000	\$773,175	\$2,196,175
Bowen	Qld	12,803	21,121	1,259	\$843,506	\$524,582	\$1,368,088	\$65.88	\$416.67	\$834,803	\$534,969	\$1,369,772
Murrindindi (S)	Vic	12,916	3,878	1,194	\$968,000	\$820,331	\$1,788,331	\$74.95	\$687.04	\$948,000	\$1,000,959	\$1,948,959
Esperance (S)	WA	13,073	42,450	4,181	\$1,460,027	\$1,621,585	\$3,081,612	\$111.68	\$387.85	\$1,411,910	\$1,673,767	\$3,085,677
Northern Grampians (S)	Vic	13,180	5,732	3,407	\$1,825,000	\$1,279,073	\$3,104,073	\$138.47	\$375.43	\$1,849,000	\$1,329,060	\$3,178,060
Emerald	Qld	13,195	10,327	951	\$295,876	\$424,775	\$720,651	\$22.42	\$446.66	\$292,861	\$436,698	\$729,559
Hinchinbrook	Qld	13,433	2,798	1,029	\$853,742	\$452,889	\$1,306,631	\$63.56	\$440.13	\$844,923	\$462,259	\$1,307,182
Huon Valley (M)	Tas	13,552	80	756	\$950,375	\$1,013,123	\$1,963,498	\$70.13	\$1,340.11	\$947,139	\$1,048,208	\$1,995,347
Banana	Qld	13,586	15,721	3,285	\$1,910,572	\$1,208,807	\$3,119,379	\$140.63	\$367.98	\$2,023,451	\$1,231,249	\$3,254,700
Waratah-Wynyard (M)	Tas	13,887	3,553	540	\$952,023	\$801,539	\$1,753,562	\$68.55	\$1,484.33	\$964,752	\$832,653	\$1,797,405
Narrabri Shire	NSW	13,943	13,065	2,104	\$2,165,256	\$1,290,276	\$3,455,532	\$155.29	\$613.25	\$2,198,984	\$1,331,480	\$3,530,464
Hepburn (S)	Vic	14,044	1,471	1,282	\$1,407,000	\$816,553	\$2,223,553	\$100.19	\$636.94	\$1,513,000	\$822,558	\$2,335,558
Golden Plains (S)	Vic	14,096	2,706	1,714	\$1,507,000	\$1,012,721	\$2,519,721	\$106.91	\$590.85	\$1,626,000	\$1,112,649	\$2,738,649
Esk	Qld	14,283	3,928	1,272	\$610,289	\$541,043	\$1,151,332	\$42.73	\$425.35	\$646,562	\$557,632	\$1,204,194
Indigo (S)	Vic	14,319	2,049	1,821	\$1,360,305	\$854,368	\$2,214,673	\$95.00	\$469.18	\$1,410,000	\$871,706	\$2,281,706
Calliope	Qld	14,485	6,554	1,176	\$1,230,732	\$510,436	\$1,741,168	\$84.97	\$434.04	\$1,303,790	\$525,666	\$1,829,456
Inverell Shire	NSW	14,950	8,623	1,784	\$1,913,080	\$1,151,688	\$3,064,768	\$127.97	\$645.57	\$2,004,676	\$1,188,064	\$3,192,740
Litchfield (S)	NT	14,979	3,100	648	\$623,272	\$1,263,609	\$1,886,881	\$41.61	\$1,950.01	\$750,060	\$1,410,655	\$2,160,715
Moree Plains Shire	NSW	15,145	17,874	2,638	\$2,051,056	\$1,611,952	\$3,663,008	\$135.43	\$611.05	\$2,030,108	\$1,664,088	\$3,694,196
Parkes Shire	NSW	15,176	5,915	1,768	\$1,976,460	\$1,100,704	\$3,077,164	\$130.24	\$622.57	\$2,049,000	\$1,138,328	\$3,187,328

(# = Minimum Grant)

Council name	State	Population 1999	Council area	Total road length	2000–2001 Actual entitlement					2001–2002 Estimated entitlement		
					General purpose	Roads	Total grant	GP grant per capita	Local Roads per km	General purpose	Roads	Total grant
Muswellbrook Shire	NSW	15,307	3,402	571	\$1,386,164	\$504,616	\$1,890,780	\$90.56	\$883.74	\$1,411,504	\$520,276	\$1,931,780
Gatton	Qld	15,354	1,576	856	\$452,926	\$410,710	\$863,636	\$29.50	\$479.80	\$448,279	\$424,595	\$872,874
Moyno (S)	Vic	16,039	5,485	3,457	\$1,819,000	\$1,544,226	\$3,363,226	\$113.41	\$446.70	\$1,939,000	\$1,858,601	\$3,797,601
Maclean Shire	NSW	16,612	1,042	518	\$1,815,912	\$480,596	\$2,296,508	\$109.31	\$927.79	\$1,842,956	\$496,356	\$2,339,312
Mount Alexander (S)	Vic	16,686	1,529	1,153	\$1,599,000	\$901,193	\$2,500,193	\$95.83	\$781.61	\$1,626,000	\$907,316	\$2,533,316
Murray Bridge (DC)	SA	16,892	1,829	964	\$1,570,664	\$451,625	\$2,022,289	\$92.98	\$468.49	\$1,782,645	\$244,287	\$2,026,932
Southern Grampians (S)	Vic	16,931	6,734	2,855	\$2,264,000	\$1,486,413	\$3,750,413	\$133.72	\$520.64	\$2,508,000	\$1,664,617	\$4,172,617
Alexandrina	SA	17,198	1,830	1,362	\$472,139	\$276,978	\$749,117	\$27.45	\$203.36	\$420,139	\$287,665	\$707,804
Corangamite (S)	Vic	17,330	4,401	2,012	\$1,784,000	\$1,169,785	\$2,953,785	\$102.94	\$581.40	\$1,932,000	\$1,543,665	\$3,475,665
Meander Valley (M)	Tas	17,475	1,430	809	\$1,163,330	\$1,199,555	\$2,362,885	\$66.57	\$1,482.76	\$1,221,192	\$1,245,250	\$2,466,442
Nambucca Shire	NSW	17,703	1,443	629	\$1,525,064	\$677,324	\$2,202,388	\$86.15	\$1,076.83	\$1,568,072	\$699,288	\$2,267,360
Port Pirie (C&DC)	SA	17,963	1,785	1,183	\$2,460,170	\$295,802	\$2,755,972	\$136.96	\$250.04	\$2,629,580	\$293,332	\$2,922,912
Mudgee Shire	NSW	18,136	5,480	1,347	\$1,577,884	\$961,612	\$2,539,496	\$87.00	\$713.89	\$1,599,472	\$995,460	\$2,594,932
Barossa	SA	18,755	893	890	\$501,495	\$314,932	\$816,427	\$26.74	\$353.86	\$446,495	\$371,716	\$818,211
Mareeba	Qld	18,789	53,457	1,975	\$1,635,162	\$812,642	\$2,447,804	\$87.03	\$411.46	\$1,732,238	\$883,303	\$2,615,541
Burdekin	Qld	18,838	5,027	1,058	\$583,192	\$506,338	\$1,089,530	\$30.96	\$478.58	\$577,150	\$516,303	\$1,093,453
Rural Remote Extra Small (RTX)												
Tennant Creek Remote	NT	–	n/a	661	\$0	\$0	\$0	–	–	\$0	\$0	\$0
Silverton Village	NSW	58	n/a	n/a	\$18,636	\$0	\$18,636	\$321.31	–	\$19,256	\$0	\$19,256
Nepabunna	SA	70	n/a	10	\$17,627	\$11,195	\$28,822	\$251.81	\$1,119.50	\$18,087	\$11,579	\$29,666
Gerard	SA	124	n/a	10	\$27,478	\$11,244	\$38,722	\$221.60	\$1,124.40	\$28,195	\$11,630	\$39,825
Tibooburra Village	NSW	124	n/a	n/a	\$39,844	\$0	\$39,844	\$321.32	–	\$41,168	\$0	\$41,168
Murchison (S)	WA	145	43,800	1,721	\$685,138	\$407,635	\$1,092,773	\$4,725.09	\$236.86	\$770,036	\$420,403	\$1,190,439

(# = Minimum Grant)

Council name	State	Population 1999	Council area	Total road length	2000–2001 Actual entitlement					2001–2002 Estimated entitlement		
					General purpose	Roads	Total grant	GP grant per capita	Local Roads per km	General purpose	Roads	Total grant
Imanpa	NT	151	n/a	20	\$47,562	\$22,186	\$69,748	\$314.98	\$1,109.30	\$44,825	\$22,232	\$67,057
Sandstone (S)	WA	169	28,218	1,148	\$486,164	\$369,157	\$855,321	\$2,876.71	\$321.57	\$575,474	\$381,358	\$956,832
Wallace Rockhole	NT	174	4	23	\$40,543	\$20,000	\$60,543	\$233.01	\$869.57	\$38,210	\$20,000	\$58,210
Ikuntji	NT	180	n/a	125	\$66,515	\$34,634	\$101,149	\$369.53	\$277.07	\$62,687	\$35,519	\$98,206
Maralinga	SA	190	n/a	n/a	\$57,414	\$30,194	\$87,608	\$302.18	–	\$58,912	\$31,230	\$90,142
Jilkmिंगgan	NT	195	6	12	\$38,974	\$20,000	\$58,974	\$199.87	\$1,666.67	\$40,760	\$20,000	\$60,760
Aputula	NT	206	n/a	67	\$49,385	\$29,195	\$78,580	\$239.73	\$435.75	\$46,865	\$29,256	\$76,121
Yuelamu	NT	227	n/a	231	\$58,018	\$54,096	\$112,114	\$255.59	\$234.18	\$55,118	\$54,732	\$109,850
Milyakburra	NT	232	n/a	110	\$66,413	\$57,498	\$123,911	\$286.26	\$522.71	\$63,092	\$20,000	\$83,092
Minjilang	NT	236	n/a	65	\$56,066	\$60,258	\$116,324	\$237.57	\$927.05	\$53,094	\$65,028	\$118,122
Peppimenarti	NT	236	n/a	107	\$88,682	\$101,582	\$190,264	\$375.77	\$949.36	\$84,247	\$140,664	\$224,911
Tapatijatjaka	NT	236	12	56	\$41,997	\$20,000	\$61,997	\$177.95	\$357.14	\$40,383	\$20,000	\$60,383
Belyuen	NT	250	4	91	\$39,618	\$29,796	\$69,414	\$158.47	\$327.43	\$37,338	\$24,161	\$61,499
Cox Peninsula	NT	252	n/a	13	\$13,644	\$41,615	\$55,259	\$54.14	\$3,201.15	\$12,962	\$41,701	\$54,663
Binjari	NT	255	3	5	\$36,731	\$20,000	\$56,731	\$144.04	\$4,000.00	\$34,617	\$20,000	\$54,617
Areyonga	NT	257	n/a	37	\$52,021	\$29,222	\$81,243	\$202.42	\$789.78	\$50,079	\$29,283	\$79,362
Watiyanu (Mt Liebig)	NT	260	78	26	\$48,730	\$20,000	\$68,730	\$187.42	\$769.23	\$49,033	\$20,000	\$69,033
Amoonguna	NT	261	n/a	3	\$37,709	\$20,000	\$57,709	\$144.48	\$6,666.67	\$36,770	\$20,000	\$56,770
Arltarpilta	NT	266	2	33	\$57,646	\$20,000	\$77,646	\$216.71	\$606.06	\$54,329	\$20,000	\$74,329
Yalata	SA	267	2	203	\$69,924	\$24,309	\$94,233	\$261.89	\$119.75	\$71,749	\$25,143	\$96,892
Isisford	Qld	277	10,482	912	\$979,806	\$307,104	\$1,286,910	\$3,537.21	\$336.74	\$1,037,559	\$313,441	\$1,351,000
Nyirripi	NT	301	n/a	277	\$69,865	\$66,437	\$136,302	\$232.11	\$239.84	\$72,188	\$79,938	\$152,126
Timber Creek	NT	302	16	62	\$47,909	\$104,374	\$152,283	\$158.64	\$1,683.45	\$45,648	\$86,160	\$131,808
Papunya	NT	304	n/a	240	\$61,145	\$66,079	\$127,224	\$201.13	\$275.33	\$57,627	\$47,333	\$104,960

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Council name	State	Population 1999	Council area	Total road length	2000–2001 Actual entitlement					2001–2002 Estimated entitlement		
					General purpose	Roads	Total grant	GP grant per capita	Local Roads per km	General purpose	Roads	Total grant
Croydon	Qld	307	29,490	1,014	\$1,363,837	\$341,629	\$1,705,466	\$4,442.47	\$336.91	\$1,444,592	\$368,923	\$1,813,515
Ilfracombe	Qld	314	6,562	332	\$950,801	\$113,683	\$1,064,484	\$3,028.03	\$342.42	\$1,006,866	\$123,506	\$1,130,372
Marn Garr	NT	321	3	13	\$36,482	\$20,000	\$56,482	\$113.65	\$1,538.46	\$34,383	\$20,000	\$54,383
Pirlangimpi	NT	335	17	99	\$49,443	\$77,301	\$126,744	\$147.59	\$780.82	\$0	\$0	\$0
Upper Gascoyne (S)	WA	335	46,602	1,857	\$783,539	\$449,755	\$1,233,294	\$2,338.92	\$242.19	\$881,905	\$523,821	\$1,405,726
Gulin Gulin and Weemol	NT	342	n/a	12	\$56,089	\$24,388	\$80,477	\$164.00	\$2,032.33	\$68,753	\$40,020	\$108,773
Menzies (S)	WA	343	71,680	1,464	\$472,782	\$358,021	\$830,803	\$1,378.37	\$244.55	\$494,056	\$369,135	\$863,191
Diamantina	Qld	345	94,684	1,099	\$1,610,119	\$370,466	\$1,980,585	\$4,667.01	\$337.09	\$1,705,266	\$397,582	\$2,102,848
Lord Howe Island (Bd)	NSW	353	17	n/a	\$108,052	\$0	\$108,052	\$306.10	–	\$111,803	\$0	\$111,803
Yalgoo (S)	WA	360	33,258	1,221	\$541,232	\$346,720	\$887,952	\$1,503.42	\$283.96	\$606,617	\$354,344	\$960,961
Kaltukatjara	NT	362	n/a	328	\$75,708	\$83,512	\$159,220	\$209.14	\$254.61	\$71,352	\$86,681	\$158,033
Nganmarriyanga (Palumpa)	NT	364	n/a	158	\$60,284	\$49,782	\$110,066	\$165.62	\$315.08	\$62,233	\$49,886	\$112,119
Waruwi	NT	365	n/a	67	\$65,005	\$76,213	\$141,218	\$178.10	\$1,137.51	\$67,070	\$82,246	\$149,316
Mataranka	NT	368	233	21	\$22,315	\$42,970	\$65,285	\$60.64	\$2,046.19	\$21,200	\$43,060	\$64,260
Aherenge (Arunga)	NT	387	n/a	33	\$74,068	\$22,142	\$96,210	\$191.39	\$670.97	\$74,155	\$22,188	\$96,343
Cue (S)	WA	399	13,716	774	\$422,878	\$265,597	\$688,475	\$1,059.84	\$343.15	\$478,055	\$272,438	\$750,493
Walingeri-Ngumpinku	NT	474	386	10	\$69,648	\$20,000	\$89,648	\$146.94	\$2,000.00	\$73,573	\$20,000	\$93,573
Rural Remote Small (RTS)												
Walungurru	NT	434	n/a	309	\$86,617	\$102,819	\$189,436	\$199.58	\$332.75	\$81,632	\$96,100	\$177,732
Willowra	NT	445	n/a	194	\$68,950	\$76,883	\$145,833	\$154.94	\$396.30	\$0	\$0	\$0
Ali Curung	NT	450	n/a	150	\$58,877	\$48,881	\$107,758	\$130.84	\$325.87	\$60,170	\$48,983	\$109,153
Naiyuu Nambiyu	NT	462	43	104	\$58,206	\$83,621	\$141,827	\$125.99	\$804.05	\$55,831	\$95,827	\$151,658
Barcoo	Qld	474	61,855	1,683	\$796,490	\$566,769	\$1,363,259	\$1,680.36	\$336.76	\$843,293	\$566,234	\$1,409,527
Milikapiti	NT	487	27	99	\$61,089	\$107,284	\$168,373	\$125.44	\$1,083.68	\$0	\$0	\$0

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Council name	State	Population 1999	Council Total road area length		2000–2001 Actual entitlement					2001–2002 Estimated entitlement		
					General purpose	Roads	Total grant	GP grant per capita	Local Roads per km	General purpose	Roads	Total grant
Umbakumba	NT	493	n/a	124	\$66,744	\$78,274	\$145,018	\$135.38	\$631.24	\$72,533	\$85,235	\$157,768
Bulloo	Qld	510	73,738	2,654	\$1,166,687	\$796,133	\$1,962,820	\$2,287.62	\$299.97	\$1,235,288	\$924,912	\$2,160,200
Burke	Qld	521	41,988	826	\$1,449,354	\$280,482	\$1,729,836	\$2,781.87	\$339.57	\$1,534,777	\$309,012	\$1,843,789
Wugularr	NT	528	3,185	62	\$50,421	\$46,617	\$97,038	\$95.49	\$751.89	\$47,900	\$27,114	\$75,014
Barunga Manyallaluk	NT	532	3,783	82	\$63,126	\$78,072	\$141,198	\$118.66	\$952.10	\$72,282	\$86,491	\$158,773
Boulia	Qld	541	60,970	1,235	\$1,401,489	\$417,506	\$1,818,995	\$2,590.55	\$338.06	\$1,484,082	\$417,998	\$1,902,080
Ltyentye Purte (Santa Teresa)	NT	569	1,242	114	\$62,635	\$67,954	\$130,589	\$110.08	\$596.09	\$59,030	\$68,095	\$127,125
Tambo	Qld	583	14,008	706	\$1,141,223	\$240,749	\$1,381,972	\$1,957.50	\$341.00	\$1,208,518	\$253,764	\$1,462,282
Ntaria	NT	590	n/a	335	\$70,245	\$82,829	\$153,074	\$119.06	\$247.25	\$66,202	\$83,001	\$149,203
Pine Creek	NT	594	400	61	\$28,725	\$109,161	\$137,886	\$48.36	\$1,789.52	\$27,072	\$109,388	\$136,460
Elliott District	NT	627	3	4	\$36,767	\$20,000	\$56,767	\$58.64	\$5,000.00	\$53,308	\$20,000	\$73,308
Ramingining	NT	647	n/a	223	\$105,564	\$127,300	\$232,864	\$163.16	\$570.85	\$99,489	\$93,072	\$192,561
Alpurrululam	NT	713	10	29	\$67,227	\$20,000	\$87,227	\$94.29	\$689.66	\$63,865	\$20,000	\$83,865
Daguragu	NT	716	43	157	\$71,226	\$87,368	\$158,594	\$99.48	\$556.48	\$77,196	\$94,809	\$172,005
Mount Magnet (S)	WA	717	13,877	781	\$440,814	\$242,227	\$683,041	\$614.80	\$310.15	\$504,364	\$311,001	\$815,365
Milingimbi	NT	801	n/a	35	\$74,961	\$32,362	\$107,323	\$93.58	\$924.63	\$84,481	\$41,991	\$126,472
Aramac	Qld	815	23,290	1,131	\$1,161,717	\$384,876	\$1,546,593	\$1,425.42	\$340.30	\$1,230,154	\$396,274	\$1,626,428
Urapuntja	NT	880	n/a	305	\$119,490	\$60,609	\$180,099	\$135.78	\$198.72	\$112,614	\$60,735	\$173,349
Borroloola	NT	891	13	25	\$53,810	\$46,293	\$100,103	\$60.39	\$1,851.72	\$58,071	\$59,653	\$117,724
Angurugu	NT	910	2	96	\$80,687	\$88,421	\$169,108	\$88.67	\$921.05	\$76,043	\$92,149	\$168,192
Yirrkala/Dhanbul	NT	917	n/a	53	\$73,345	\$52,299	\$125,644	\$79.98	\$986.77	\$69,678	\$50,614	\$120,292
Etheridge	Qld	923	39,186	1,818	\$1,518,285	\$615,622	\$2,133,907	\$1,644.95	\$338.63	\$1,607,580	\$621,908	\$2,229,488
Shark Bay (S)	WA	980	25,000	612	\$635,919	\$244,947	\$880,866	\$648.90	\$400.24	\$701,448	\$250,419	\$951,867
Jericho	Qld	1,013	21,825	1,180	\$1,128,215	\$402,864	\$1,531,079	\$1,113.74	\$341.41	\$1,194,652	\$412,112	\$1,606,764

(# = Minimum Grant)

2000–2001 Actual entitlement					2001–2002 Estimated entitlement					General purpose	Roads	Total grant
Council name	State	Population 1999	Council area	Total road length	General purpose	Roads	Total grant	GP grant per capita	Local Roads per km			
Gapuwiyak	NT	1,034	n/a	314	\$117,951	\$123,498	\$241,449	\$114.07	\$393.31	\$111,163	\$154,924	\$266,087
Kunbarlanjinja	NT	1,046	530	654	\$156,494	\$390,807	\$547,301	\$149.61	\$597.56	\$148,670	\$394,606	\$543,276
Numbulwar/Numburindi	NT	1,153	1,095	302	\$128,089	\$134,964	\$263,053	\$111.09	\$446.90	\$120,717	\$130,581	\$251,298
Rural Remote Medium (RTM)												
Richmond	Qld	1,058	26,531	1,268	\$1,134,678	\$432,694	\$1,567,372	\$1,072.47	\$341.24	\$1,201,636	\$440,673	\$1,642,309
Yuendumu	NT	1,070	22,142	645	\$123,762	\$184,675	\$308,437	\$115.67	\$286.32	\$117,574	\$185,059	\$302,633
Lajamanu	NT	1,103	7,313	306	\$101,550	\$68,751	\$170,301	\$92.07	\$224.68	\$95,706	\$62,140	\$157,846
McKinlay	Qld	1,144	40,768	1,578	\$1,164,123	\$537,040	\$1,701,163	\$1,017.59	\$340.33	\$1,232,939	\$553,050	\$1,785,989
Wiluna (S)	WA	1,164	184,000	1,903	\$534,947	\$494,881	\$1,029,828	\$459.58	\$260.05	\$528,835	\$506,756	\$1,035,591
Laverton (S)	WA	1,185	183,198	1,653	\$687,731	\$427,777	\$1,115,508	\$580.36	\$258.79	\$749,469	\$417,577	\$1,167,046
Quilpie	Qld	1,268	67,488	2,526	\$1,011,513	\$854,778	\$1,866,291	\$797.72	\$338.39	\$1,071,341	\$873,397	\$1,944,738
Anmatjere	NT	1,435	3,566	107	\$156,190	\$82,719	\$238,909	\$108.84	\$773.07	\$148,163	\$98,757	\$246,920
Nguiu	NT	1,441	2,071	249	\$119,493	\$176,964	\$296,457	\$82.92	\$710.70	\$0	\$0	\$0
Dundas (S)	WA	1,489	92,725	625	\$488,124	\$199,217	\$687,341	\$327.82	\$318.75	\$520,920	\$205,155	\$726,075
Yugal Mangi	NT	1,516	12,269	132	\$200,688	\$146,998	\$347,686	\$132.38	\$1,113.62	\$194,614	\$165,348	\$359,962
Coomalie (CGC)	NT	1,557	n/a	173	\$85,633	\$273,254	\$358,887	\$55.00	\$1,579.50	\$80,705	\$277,455	\$358,160
Ngaanyatjarraku (S)	WA	1,578	159,948	1,313	\$1,269,505	\$536,808	\$1,806,313	\$804.50	\$408.84	\$1,468,481	\$642,714	\$2,111,195
Winton	Qld	1,593	53,797	2,652	\$1,689,327	\$899,953	\$2,589,280	\$1,060.47	\$339.35	\$1,732,989	\$887,506	\$2,620,495
Galiwinku	NT	1,609	n/a	345	\$184,900	\$141,894	\$326,794	\$114.92	\$411.29	\$174,259	\$142,189	\$316,448
Barcaldine	Qld	1,742	8,426	1,046	\$1,256,969	\$363,947	\$1,620,916	\$721.57	\$347.94	\$1,286,546	\$371,270	\$1,657,816
Blackall	Qld	1,763	16,349	1,111	\$1,206,101	\$385,790	\$1,591,891	\$684.12	\$347.25	\$1,277,162	\$393,911	\$1,671,073
Maningrida	NT	2,009	n/a	289	\$190,938	\$98,728	\$289,666	\$95.04	\$341.62	\$180,454	\$112,451	\$292,905
Kardu Numida	NT	2,010	n/a	267	\$225,776	\$103,948	\$329,724	\$112.33	\$389.32	\$277,927	\$122,483	\$400,410
Flinders	Qld	2,099	41,422	1,880	\$888,324	\$645,877	\$1,534,201	\$423.21	\$343.55	\$940,600	\$659,568	\$1,600,168

(# = Minimum Grant)

Council name	State	Population 1999	Council Total road area length		2000-2001 Actual entitlement					2001-2002 Estimated entitlement		
					General purpose	Roads	Total grant	GP grant per capita	Local Roads per km	General purpose	Roads	Total grant
Exmouth (S)	WA	2,149	5,764	310	\$744,211	\$218,517	\$962,728	\$346.31	\$704.89	\$813,680	\$224,220	\$1,037,900
Meekatharra (S)	WA	2,153	99,973	2,316	\$763,861	\$599,711	\$1,363,572	\$354.79	\$258.94	\$814,981	\$612,168	\$1,427,149
Paroo	Qld	2,199	47,654	2,195	\$1,350,259	\$751,808	\$2,102,067	\$614.03	\$342.51	\$1,429,684	\$763,337	\$2,193,021
Anangu Pitjantjatjara	SA	2,330	52	800	\$704,074	\$84,392	\$788,466	\$302.18	\$105.49	\$722,451	\$87,288	\$809,739
Central Darling Shire	NSW	2,396	51,395	1,602	\$1,547,236	\$878,884	\$2,426,120	\$645.76	\$548.62	\$1,632,136	\$907,460	\$2,539,596
Carpentaria	Qld	2,484	68,111	2,051	\$1,995,683	\$572,637	\$2,568,320	\$803.42	\$279.20	\$2,113,610	\$586,833	\$2,700,443
Leonora (S)	WA	2,698	31,743	1,309	\$474,158	\$385,287	\$859,445	\$175.74	\$294.34	\$467,558	\$395,349	\$862,907
Tiwi Island	NT	2,263	2,115	447	\$0	\$0	\$0	-	-	\$261,738	\$385,666	\$647,404
Rural Remote Large (RTL)												
Cloncurry	Qld	3,404	47,971	1,680	\$650,549	\$589,448	\$1,239,997	\$191.11	\$350.86	\$689,270	\$631,773	\$1,321,043
Halls Creek (S)	WA	3,553	142,908	1,251	\$1,563,136	\$699,108	\$2,262,244	\$439.95	\$558.84	\$1,707,401	\$627,082	\$2,334,483
Longreach	Qld	3,808	23,504	1,627	\$1,254,772	\$574,858	\$1,829,630	\$329.51	\$353.32	\$1,328,992	\$587,447	\$1,916,439
Cook	Qld	4,249	116,658	2,579	\$1,969,033	\$896,968	\$2,866,001	\$463.41	\$347.80	\$2,085,004	\$909,291	\$2,994,295
Murweh	Qld	4,782	40,734	2,574	\$1,493,336	\$899,476	\$2,392,812	\$312.28	\$349.45	\$1,582,019	\$958,406	\$2,540,425
Outback Areas Community Developm't Trust	SA	5,330	n/a	n/a	\$805,307	\$0	\$805,307	\$151.09	-	\$826,327	\$0	\$826,327
Cobar Shire	NSW	5,587	44,250	1,668	\$1,665,296	\$944,264	\$2,609,560	\$298.07	\$566.11	\$1,721,248	\$972,424	\$2,693,672
Ashburton (S)	WA	6,515	105,647	2,170	\$1,678,037	\$773,079	\$2,451,116	\$257.57	\$356.26	\$1,744,135	\$803,258	\$2,547,393
East Pilbara (S)	WA	6,832	378,533	2,864	\$1,651,714	\$1,246,062	\$2,897,776	\$241.76	\$435.08	\$1,706,302	\$1,288,661	\$2,994,963
Wyndham-East Kimberley (S)	WA	7,210	121,189	1,057	\$2,216,132	\$738,114	\$2,954,246	\$307.37	\$698.31	\$2,401,077	\$759,125	\$3,160,202
Derby-West Kimberley (S)	WA	7,783	102,706	1,629	\$2,601,381	\$656,417	\$3,257,798	\$334.24	\$402.96	\$2,850,573	\$613,076	\$3,463,649
Broome (S)	WA	10,981	56,000	848	\$1,855,660	\$637,594	\$2,493,254	\$168.99	\$751.88	\$1,974,629	\$648,611	\$2,623,240
Others												
Trust Account	NT	n/a	n/a	1,608	\$0	\$655,095	\$655,095	-	\$407.40	\$0	\$623,573	\$623,573

(# = Minimum Grant)

APPENDIX E

RANKING OF COUNCILS ON A RELATIVE NEEDS BASIS 2000–01

Councils often compare the grant they receive with the grants of other councils in their State and assume that, if another council gets a similar sized grant, then that other council has been assessed as having similar needs. Such an assumption can be incorrect.

In determining the allocation of general purpose grants and the local roads grants to councils, local government grants commissions implicitly determine a ranking for each council in their State on the basis of relative needs. A comparison of councils on the basis of relative needs is preferred to a comparison on the basis of the actual grant they receive.

In this appendix, the grant per capita is used as the basis of the comparison of relative need for the general purpose grants. For local roads grants, the allocation of grants for each council in 2000–01 is divided by their length of local roads to obtain a relative need measure. In tables E.1 to E.7, councils within a State are sorted on the value of:

- the general purpose grant per capita;
- the local roads grants per kilometre; and
- and their ranking obtained for both measures.

Councils are ranked from the council in the greatest relative need to the council in the least relative need. For each State, the position of the average general purpose grant per capita and the average local roads grant per kilometre are also shown within the ranking of councils. These State averages are taken from tables 3.5 and 3.6.

Councils should use these rankings when comparing the financial assistance grants they receive with the financial assistance grants other councils in their State receive. For instance, Appendix D shows that the Shire of Cooloola in Queensland (URM) received \$1,556,401 in general purpose grants in 2000–01 while the City of Caloundra (URL) received \$1,040,041. The Shire of Cooloola's grant is \$46.86 per capita while the City of Caloundra's grant is \$14.60 per capita. This suggests that the Queensland Local Government Grants Commission has assessed the Shire of Cooloola as having the greater relative need. In table E.3 below, the Shire of Cooloola is shown to rank 126 among Queensland councils for general purpose grants while the City of Caloundra is a minimum grant council and is ranked 149.

Table E.1: New South Wales councils ranked by financial assistance grant funding, by per capita and kilometre, 2000–01

Councils ranked by funding per capita				Councils ranked by funding per kilometre			
Rank	Local government area	Classification	GP grant per capita	Rank	Local government area	Classification	Local roads per km
1	Windouran Shire	RAS	\$785.42	1	Queanbeyan City	URS	\$2,456.50
2	Central Darling Shire	RTM	\$645.76	2	Waverley	UDM	\$2,376.55
3	Carrathool Shire	RAM	\$487.29	3	Canterbury City	UDV	\$2,117.29
4	Brewarrina Shire	RAM	\$480.73	4	Ashfield Municipal	UDM	\$2,103.17
5	Urana Shire	RAS	\$442.63	5	Randwick City	UDV	\$2,061.77
6	Bourke Shire	RAM	\$425.83	6	Sydney City	UCC	\$2,032.27
7	Jerilderie Shire	RAS	\$376.91	7	South Sydney City	UDL	\$1,991.84
8	Bogan Shire	RAM	\$343.86	8	Burwood	UDS	\$1,977.49
9	Balranald Shire	RAM	\$343.09	9	Marrickville	UDL	\$1,934.53
10	Lachlan Shire	RAL	\$340.92	10	North Sydney	UDM	\$1,906.83
11	Lockhart Shire	RAM	\$335.26	11	Botany Bay City	UDM	\$1,894.43
12	Conargo Shire	RAS	\$326.43	12	Woollahra Municipal	UDM	\$1,892.68
13	Tibooburra Village	RTX	\$321.32	13	Fairfield City	UDV	\$1,850.08
14	Silverton Village	RTX	\$321.31	14	Strathfield Municipal	UDS	\$1,828.60
15	Bland Shire	RAL	\$313.95	15	Albury City	URM	\$1,825.69
16	Lord Howe Island (Bd)	RTX	\$306.10	16	Manly	UDM	\$1,809.17
17	Cobar Shire	RTL	\$298.07	17	Goulburn City	URS	\$1,805.45
18	Coolamon Shire	RAM	\$281.34	18	Rockdale City	UDL	\$1,782.50
19	Barraba Shire	RAM	\$278.12	19	Leichhardt Municipal	UDM	\$1,781.82
20	Wentworth Shire	RAL	\$267.81	20	Parramatta City	UDV	\$1,772.39
21	Hay Shire	RAM	\$262.06	21	Lane Cove Municipal	UDM	\$1,764.04
22	Yallaroi Shire	RAM	\$254.60	22	Warringah	UDV	\$1,716.06
23	Coonamble Shire	RAM	\$254.34	23	Hurstville City	UDL	\$1,713.81
24	Coolah Shire	RAM	\$249.72	24	Ryde City	UDL	\$1,705.16
25	Warren Shire	RAM	\$248.73	25	Mosman Municipal	UDL	\$1,702.68
26	Harden Shire	RAM	\$241.38	26	Bankstown City	UDV	\$1,690.30
27	Weddin Shire	RAM	\$241.14	27	Willoughby City	UDM	\$1,660.46
28	Bingara Shire	RAS	\$238.74	28	Auburn	UDM	\$1,656.69
29	Wakool Shire	RAM	\$237.78	29	Grafton City	URS	\$1,651.16
30	Bombala	RAM	\$231.53	30	Tamworth City	URM	\$1,648.22
31	Narromine Shire	RAL	\$224.47	31	Holroyd City	UDL	\$1,644.58
32	Murrumbidgee Shire	RAM	\$222.69	32	Kogarah Municipal	UDM	\$1,643.46
33	Gilgandra Shire	RAM	\$222.41	33	Bathurst City	URM	\$1,629.18
34	Tallaganda Shire	RAM	\$222.12	34	Campbelltown City	UFV	\$1,620.26

Councils ranked by funding per capita				Councils ranked by funding per kilometre			
Rank	Local government area	Classification	GP grant per capita	Rank	Local government area	Classification	Local roads per km
35	Walgett Shire	RAL	\$218.29	35	Coffs Harbour City	URM	\$1,615.20
36	Narrandera Shire	RAL	\$210.27	36	Sutherland Shire	UDV	\$1,585.00
37	Culcairn Shire	RAM	\$209.70	37	Pittwater	UDM	\$1,579.32
38	Severn Shire	RAM	\$207.59	38	Orange City	URM	\$1,560.18
39	Coonabarabran Shire	RAL	\$206.04	39	Ku-ring-gai	UDL	\$1,521.64
40	Boorowa	RAM	\$197.52	40	Hornsby Shire	UFV	\$1,510.25
41	Tenterfield Shire	RAL	\$195.05	41	Broken Hill City	URS	\$1,509.14
42	Merriwa Shire	RAM	\$192.59	42	Blacktown City	UDV	\$1,491.35
43	Holbrook Shire	RAM	\$191.57	43	Wollongong City	URV	\$1,480.25
44	Tumbarumba Shire	RAM	\$189.88	44	Shellharbour City	URM	\$1,474.13
45	Rylstone Shire	RAM	\$188.52	45	Liverpool City	UFV	\$1,471.21
46	Gunning Shire	RAM	\$187.81	46	Hunters Hill Municipal	UDS	\$1,470.43
47	Temora Shire	RAL	\$187.09	47	Newcastle City	URV	\$1,449.60
48	Forbes Shire	RAV	\$184.90	48	Penrith City	UFV	\$1,389.07
49	Nundle Shire	RAS	\$183.80	49	Tweed Shire	URM	\$1,350.16
50	Berrigan Shire	RAL	\$181.16	50	Baulkham Hills Shire	UFV	\$1,346.49
51	Snowy River Shire	RAL	\$181.12	51	Camden	UFM	\$1,332.80
52	Junee Shire	RAL	\$179.17	52	Gosford City	UFV	\$1,314.87
53	Guyra Shire	RAM	\$178.04	53	Lake Macquarie City	URV	\$1,309.66
54	Copmanhurst Shire	RAM	\$174.60	54	Byron Shire	URS	\$1,299.70
55	Manilla Shire	RAM	\$172.93	55	Wyong Shire	UFV	\$1,283.10
56	Wellington	RAL	\$172.51	56	Kiama Municipal	URS	\$1,272.48
57	Murray Shire	RAL	\$166.75	57	Ballina Shire	URM	\$1,257.35
58	Quirindi Shire	RAM	\$166.20	58	Hastings	URM	\$1,222.89
59	Corowa Shire	RAL	\$165.66	59	Maitland City	URM	\$1,200.62
60	Pristine Waters	RAV	\$160.89	60	Blue Mountains City	UFL	\$1,191.73
61	Murrurundi Shire	RAM	\$160.55	61	Glen Innes Municipal	URS	\$1,174.88
62	Gundagai Shire	RAM	\$157.21	62	Shoalhaven City	URL	\$1,158.77
63	Narrabri Shire	RAV	\$155.29	63	Hawkesbury City	UFM	\$1,154.40
64	Crookwell Shire	RAM	\$153.16	64	Port Stephens	URM	\$1,146.01
65	Cooma-Monaro Shire	RAL	\$151.14	65	Cessnock City	URM	\$1,113.84
66	Oberon	RAM	\$151.10	66	Wollondilly Shire	UFM	\$1,105.09
67	Walcha	RAM	\$148.22	67	Nambucca Shire	RAV	\$1,076.83
68	Gloucester Shire	RAM	\$148.13	68	Deniliquin	URS	\$1,073.86
69	Deniliquin	URS	\$140.19	69	Lismore City	URM	\$1,055.60
70	Cootamundra Shire	RAL	\$138.73	70	Bellingen Shire	RAV	\$998.33

Councils ranked by funding per capita				Councils ranked by funding per kilometre			
Rank	Local government area	Classification	GP grant per capita	Rank	Local government area	Classification	Local roads per km
71	Uralla Shire	RAL	\$138.53	71	Kempsey Shire	URS	\$983.53
72	Blayney Shire	RAL	\$138.04	72	Great Lakes	URM	\$979.88
73	Kyogle	RAL	\$136.61	73	Wingecarribee Shire	URM	\$977.46
74	Mulwaree Shire	RAL	\$135.95	74	Greater Taree City	URM	\$949.51
75	Moree Plains Shire	RAV	\$135.43	75	Eurobodalla Shire	URM	\$946.75
76	Glen Innes Municipal	URS	\$133.44	76	Bega Valley Shire	URS	\$935.25
77	Parkes Shire	RAV	\$130.24	77	Singleton Shire	URS	\$931.53
78	Inverell Shire	RAV	\$127.97	78	Maclean Shire	RAV	\$927.79
79	Cowra Shire	RAV	\$127.66	79	Dubbo City	URM	\$895.58
80	Dungog Shire	RAL	\$123.39	80	Muswellbrook Shire	RAV	\$883.74
81	Cabonne	RAV	\$123.13	81	Wagga Wagga City	URM	\$882.33
82	Evans Shire	RAL	\$122.64	82	Richmond Valley	URS	\$880.68
83	Tumut Shire	RAV	\$119.62	83	Kyogle	RAL	\$866.74
84	Yass Shire	RAL	\$117.79	84	Lithgow City	URS	\$866.44
85	Gunnedah Shire	RAV	\$117.26	85	Armidale Dumaresq	URS	\$835.87
86	Leeton Shire	RAV	\$116.79	86	Dungog Shire	RAL	\$835.81
87	Broken Hill City	URS	\$113.84	State average			\$829.06
88	Young Shire	RAV	\$112.64	87	Copmanhurst Shire	RAM	\$807.37
89	Hume Shire	RAL	\$112.06	88	Tumut Shire	RAV	\$798.88
90	Bellingen Shire	RAV	\$111.80	89	Gloucester Shire	RAM	\$795.12
91	Maclean Shire	RAV	\$109.31	90	Yarrowlumla Shire	RAL	\$768.49
92	Richmond Valley	URS	\$108.93	91	Pristine Waters	RAV	\$757.55
93	Eurobodalla Shire	URM	\$105.97	92	Scone Shire	RAL	\$739.94
94	Great Lakes	URM	\$103.16	93	Cootamundra Shire	RAL	\$734.05
95	Scone Shire	RAL	\$102.71	94	Griffith City	URS	\$722.64
96	Parry Shire	RAV	\$98.15	95	Mudgee Shire	RAV	\$713.89
97	Lithgow City	URS	\$94.86	96	Parry Shire	RAV	\$708.30
98	Bega Valley Shire	URS	\$91.13	97	Tumbarumba Shire	RAM	\$694.82
99	Muswellbrook Shire	RAV	\$90.56	98	Cooma-Monaro Shire	RAL	\$686.29
100	Mudgee Shire	RAV	\$87.00	99	Yass Shire	RAL	\$673.48
101	Nambucca Shire	RAV	\$86.15	100	Cowra Shire	RAV	\$672.86
102	Kempsey Shire	URS	\$81.62	101	Gundagai Shire	RAM	\$670.58
103	Grafton City	URS	\$74.12	102	Blayney Shire	RAL	\$669.78
104	Shoalhaven City	URL	\$72.68	103	Leeton Shire	RAV	\$668.57
105	Dubbo City	URM	\$71.22	104	Holbrook Shire	RAM	\$668.08
106	Armidale Dumaresq	URS	\$69.86	105	Murrurundi Shire	RAM	\$666.96
107	Yarrowlumla Shire	RAL	\$69.53	106	Snowy River Shire	RAL	\$666.95

Councils ranked by funding per capita				Councils ranked by funding per kilometre			
Rank	Local government area	Classification	GP grant per capita	Rank	Local government area	Classification	Local roads per km
108	Lismore City	URM	\$66.69	107	Nundle Shire	RAS	\$665.13
109	Cessnock City	URM	\$63.70	108	Young Shire	RAV	\$663.75
110	Blue Mountains City	UFL	\$63.06	109	Manilla Shire	RAM	\$663.38
111	Albury City	URM	\$62.04	110	Severn Shire	RAM	\$658.85
112	Griffith City	URS	\$61.36	111	Rylstone Shire	RAM	\$657.10
113	Goulburn City	URS	\$59.20	112	Gunnedah Shire	RAV	\$655.20
114	Singleton Shire	URS	\$59.00	113	Hume Shire	RAL	\$649.51
115	Wagga Wagga City	URM	\$58.50	114	Evans Shire	RAL	\$648.96
116	Newcastle City	URV	\$57.86	115	Uralla Shire	RAL	\$647.17
117	Tweed Shire	URL	\$56.94	116	Inverell Shire	RAV	\$645.57
118	Greater Taree City	URM	\$56.52	117	Wakool Shire	RAM	\$641.14
119	Tamworth City	URM	\$55.50	118	Bombala	RAM	\$640.75
120	Wingecarribee Shire	URM	\$53.78	119	Tenterfield Shire	RAL	\$640.73
121	Hastings	URM	\$53.70	120	Mulwaree Shire	RAL	\$639.49
122	Bathurst City	URM	\$53.30	121	Walcha	RAM	\$638.60
123	Maitland City	URM	\$51.51	122	Cabonne	RAV	\$636.96
124	Orange City	URM	\$50.81	123	Tallaganda Shire	RAM	\$630.23
125	Port Stephens	URM	\$50.28	124	Murray Shire	RAL	\$624.03
Average			\$48.29	125	Parkes Shire	RAV	\$622.57
126	Coffs Harbour City	URM	\$48.65	126	Wellington	RAL	\$620.62
127	Queanbeyan City	URS	\$48.51	127	Forbes Shire	RAV	\$618.75
128	Wollongong City	URV	\$47.62	128	Crookwell Shire	RAM	\$618.52
129	Lake Macquarie City	URV	\$47.25	129	Corowa Shire	RAL	\$615.44
130	Byron Shire	URS	\$46.20	130	Bingara Shire	RAS	\$614.83
131	Ballina Shire	URM	\$45.98	131	Quirindi Shire	RAM	\$614.63
132	Campbelltown City	UFV	\$45.79	132	Guyra Shire	RAM	\$613.75
133	Kiama Municipal	URS	\$45.45	133	Narrabri Shire	RAV	\$613.25
134	Wyong Shire	UFV	\$44.76	134	Moree Plains Shire	RAV	\$611.05
135	Wollondilly Shire	UFM	\$43.96	135	Barraba Shire	RAM	\$610.08
136	Hawkesbury City	UFM	\$40.00	136	Junee Shire	RAL	\$609.84
137	Shellharbour City	URM	\$39.13	137	Oberon	RAM	\$608.05
138	Marrickville	UDL	\$38.27	138	Coonabarabran Shire	RAL	\$606.12
139	Gosford City	UFV	\$37.99	139	Gunning Shire	RAM	\$604.02
140	Penrith City	UFV	\$37.70	140	Temora Shire	RAL	\$602.79
141	Blacktown City	UDV	\$37.42	141	Walgett Shire	RAL	\$601.23
142	Fairfield City	UDV	\$35.16	142	Coolah Shire	RAM	\$599.85
143	Camden	UFM	\$33.55	143	Warren Shire	RAM	\$599.29

Councils ranked by funding per capita				Councils ranked by funding per kilometre			
Rank	Local government area	Classification	GP grant per capita	Rank	Local government area	Classification	Local roads per km
144	Liverpool City	UFV	\$32.70	144	Berrigan Shire	RAL	\$599.26
145	South Sydney City	UDL	\$27.52	145	Harden Shire	RAM	\$597.61
146	Holroyd City	UDL	\$24.80	146	Culcairn Shire	RAM	\$596.96
147	Parramatta City	UDV	\$23.66	147	Gilgandra Shire	RAM	\$595.92
148	Canterbury City	UDV	\$23.30	148	Lockhart Shire	RAM	\$592.41
149	Waverley	UDM	\$22.97	149	Narrandera Shire	RAL	\$591.88
150	Botany Bay City	UDM	\$22.92	150	Coonamble Shire	RAM	\$586.12
151	Auburn	UDM	\$22.18	151	Narromine Shire	RAL	\$584.82
152	Leichhardt Municipal	UDM	\$21.89	152	Hay Shire	RAM	\$584.17
153	Ashfield Municipal	UDM	\$21.00	153	Merriwa Shire	RAM	\$583.08
154	Bankstown City	UDV	\$20.74	154	Weddin Shire	RAM	\$579.33
155	Rockdale City	UDL	\$15.66	155	Murrumbidgee Shire	RAM	\$577.99
156	Lane Cove Municipal	UDM	\$14.54	156	Bogan Shire	RAM	\$577.55
156	Burwood	UDS	\$14.54	157	Wentworth Shire	RAL	\$575.82
156	Sydney City	UCC	\$14.54	158	Boorowa	RAM	\$575.42
156	Hunters Hill Municipal	UDS	\$14.54	159	Yallaroi Shire	RAM	\$568.33
156	Randwick City	UDV	\$14.54	160	Brewarrina Shire	RAM	\$567.13
156	Ku-ring-gai	UDL	\$14.54	161	Cobar Shire	RTL	\$566.11
156	Sutherland Shire	UDV	\$14.54	162	Jerilderie Shire	RAS	\$565.41
156	Hornsby Shire	UFV	\$14.54	163	Urana Shire	RAS	\$564.65
156	North Sydney	UDM	\$14.54	164	Coolamon Shire	RAM	\$562.49
156	Ryde City	UDL	\$14.54	165	Lachlan Shire	RAL	\$562.44
156	Baulkham Hills Shire	UFV	\$14.54	166	Bourke Shire	RAM	\$561.58
156	Hurstville City	UDL	\$14.54	167	Bland Shire	RAL	\$557.37
156	Warringah	UDV	\$14.54	168	Windouran Shire	RAS	\$556.79
156	Willoughby City	UDM	\$14.54	169	Conargo Shire	RAS	\$555.57
156	Pittwater	UDM	\$14.54	170	Carrathool Shire	RAM	\$554.84
156	Strathfield Municipal	UDS	\$14.54	171	Balranald Shire	RAM	\$553.94
156	Woollahra Municipal	UDM	\$14.54	172	Central Darling Shire	RTM	\$548.62
156	Manly	UDM	\$14.54	172	Canada Bay	UDM	\$548.62
156	Mosman Municipal	UDS	\$14.54	172	Lord Howe Island (Bd)	RTX	\$0.00
156	Kogarah Municipal	UDM	\$14.54	172	Silverton Village	RTX	\$0.00
156	Canada Bay	UDM	\$14.54	172	Tibooburra Village	RTX	\$0.00

Table E2: Victorian councils ranked by financial assistance grant funding, by per capita and kilometre, 2000–01

Councils ranked by funding per capita				Councils ranked by funding per kilometre			
Rank	Local government area	Classification	GP grant per capita	Rank	Local government area	Classification	Local roads per km
1	Buloke (S)	RAL	\$229.34	1	Queenscliffe (B)	URS	\$2,139.43
2	Loddon (S)	RAL	\$194.65	2	Warrnambool (C)	URS	\$1,949.67
3	West Wimmera (S)	RAL	\$193.96	3	Mornington Peninsula (S)	UFL	\$1,926.08
4	Yarriambiack (S)	RAL	\$172.39	4	Port Phillip (C)	UDL	\$1,728.86
5	Hindmarsh (S)	RAL	\$170.89	5	Wodonga (RC)	URM	\$1,663.56
6	Pyrenees (S)	RAL	\$166.10	6	Melbourne (C)	UCC	\$1,661.80
7	Northern Grampians (S)	RAV	\$138.47	7	Stonnington (C)	UDL	\$1,653.49
8	Southern Grampians (S)	RAV	\$133.72	8	Yarra (C)	UDM	\$1,649.85
9	Strathbogie (S)	RAL	\$132.05	9	Maribyrnong (C)	UDM	\$1,536.12
10	Ararat (RC)	URS	\$131.86	10	Moreland (C)	UDV	\$1,529.39
11	Towong (S)	RAL	\$128.09	11	Glen Eira (C)	UDV	\$1,523.60
12	Moyne (S)	RAV	\$113.41	12	Docklands Authority	UDS	\$1,508.25
13	Gannawarra (S)	RAV	\$112.76	13	Moonee Valley (C)	UDL	\$1,500.47
14	Central Goldfields (S)	RAV	\$111.01	14	Bayside (C)	UDL	\$1,494.74
15	Glenelg (S)	URS	\$109.62	15	Greater Geelong (C)	URV	\$1,490.92
16	Golden Plains (S)	RAV	\$106.91	16	Boroondara (C)	UDV	\$1,490.78
17	East Gippsland (S)	URM	\$106.58	17	Darebin (C)	UDV	\$1,488.77
18	Colac-Otway (S)	URS	\$105.24	18	Whitehorse (C)	UDV	\$1,474.87
19	Swan Hill (RC)	URS	\$103.58	19	Monash (C)	UDV	\$1,466.05
20	Corangamite (S)	RAV	\$102.94	20	Kingston (C)	UDV	\$1,463.49
21	Mildura (RC)	URM	\$102.54	21	Banyule (C)	UDL	\$1,460.04
22	Hepburn (S)	RAV	\$100.19	22	Brimbank (C)	UDV	\$1,410.25
23	Horsham (RC)	URS	\$99.92	23	Greater Dandenong (C)	UDV	\$1,406.79
24	South Gippsland (S)	URS	\$99.83	24	Hobson's Bay (C)	UDL	\$1,406.40
25	Moira (S)	URS	\$98.06	25	Knox (C)	UDV	\$1,394.45
26	Mount Alexander (S)	RAV	\$95.83	26	Maroondah (C)	UDL	\$1,385.51
27	Indigo (S)	RAV	\$95.00	27	Ballarat (C)	URL	\$1,371.81
28	Alpine (S)	RAV	\$93.11	28	Frankston (C)	UDL	\$1,357.17
29	Mitchell (S)	URS	\$92.34	29	Whittlesea (C)	UFL	\$1,317.78
30	Delatite (S)	URS	\$92.16	30	Latrobe (C)	URL	\$1,296.83
31	Bass Coast (S)	UFS	\$92.10	31	Hume (C)	UFV	\$1,290.39
32	Wangaratta (RC)	URS	\$89.28	32	Manningham (C)	UDL	\$1,246.62
33	Moorabool (S)	URS	\$87.63	33	Wyndham (C)	UFL	\$1,230.79

Councils ranked by funding per capita				Councils ranked by funding per kilometre			
Rank	Local government area	Classification	GP grant per capita	Rank	Local government area	Classification	Local roads per km
34	Wellington (S)	URM	\$84.49	34	Casey (C)	UFV	\$1,203.95
35	Campaspe (C)	URM	\$83.75	35	Yarra Ranges (S)	UFV	\$1,164.17
36	Latrobe (C)	URL	\$83.48	36	Melton (S)	UFM	\$1,105.81
37	Ballarat (C)	URL	\$83.11	37	Cardinia (S)	UFM	\$967.46
38	Greater Shepparton (C)	URM	\$81.36	38	Macedon Ranges (S)	URM	\$936.93
39	Greater Bendigo (C)	URL	\$77.99	39	Baw Baw (S)	URM	\$875.56
40	Baw Baw (S)	URM	\$77.34	40	Surf Coast (S)	RSG	\$856.51
41	Murrindindi (S)	RAV	\$74.95	41	Alpine (S)	RAV	\$847.22
42	Macedon Ranges (S)	URM	\$73.39	42	Nillumbik (S)	UFM	\$845.55
43	Wodonga (RC)	URM	\$64.26	43	Bass Coast (S)	UFS	\$832.22
44	Warrnambool (C)	URS	\$63.06	44	Moorabool (S)	URS	\$825.05
45	Melton (S)	UFM	\$57.31	45	Greater Bendigo (C)	URL	\$823.33
46	Cardinia (S)	UFM	\$56.32	46	Mount Alexander (S)	RAV	\$781.61
47	Greater Geelong (C)	URV	\$54.01	47	Mitchell (S)	URS	\$770.30
48	Wyndham (C)	UFL	\$53.77	48	Greater Shepparton (C)	URM	\$755.93
49	Brimbank (C)	UDV	\$53.33	49	Murrindindi (S)	RAV	\$687.04
50	Frankston (C)	UDL	\$51.69	50	East Gippsland (S)	URM	\$675.45
51	Moreland (C)	UDV	\$51.56	51	South Gippsland (S)	URS	\$670.55
52	Maribyrnong (C)	UDM	\$51.17	State average			\$664.51
53	Yarra Ranges (S)	UFV	\$50.75	52	Wellington (S)	URM	\$653.34
54	Darebin (C)	UDV	\$49.73	53	Hepburn (S)	RAV	\$636.94
55	Whittlesea (C)	UFL	\$49.15	54	Colac-Otway (S)	URS	\$628.59
Average			\$48.29	55	Wangaratta (RC)	URS	\$606.91
56	Surf Coast (S)	RSG	\$44.52	56	Golden Plains (S)	RAV	\$590.85
57	Hobson's Bay (C)	UDL	\$44.35	57	Central Goldfields (S)	RAV	\$589.79
58	Casey (C)	UFV	\$42.32	58	Corangamite (S)	RAV	\$581.40
59	Hume (C)	UFV	\$39.20	59	Delatite (S)	URS	\$567.09
60	Greater Dandenong (C)	UDV	\$37.76	60	Glenelg (S)	URS	\$533.92
61	Banyule (C)	UDL	\$36.79	61	Southern Grampians (S)	RAV	\$520.64
62	Maroondah (C)	UDL	\$35.58	62	Strathbogie (S)	RAL	\$481.68
63	Nillumbik (S)	UFM	\$35.11	63	Indigo (S)	RAV	\$469.18
64	Moonee Valley (C)	UDL	\$29.73	64	Towong (S)	RAL	\$456.79
65	Knox (C)	UDV	\$29.47	65	Moira (S)	URS	\$449.67
66	Whitehorse (C)	UDV	\$27.42	66	Moyne (S)	RAV	\$446.70
67	Queenscliffe (B)	URS	\$23.57	67	Pyrenees (S)	RAL	\$438.11
68	Mornington Peninsula (S)	UFL	\$20.51	68	Ararat (RC)	URS	\$414.25

Councils ranked by funding per capita				Councils ranked by funding per kilometre			
Rank	Local government area	Classification	GP grant per capita	Rank	Local government area	Classification	Local roads per km
69	Kingston (C)	UDV	\$16.69	69	Campaspe (C)	URM	\$412.56
70	Manningham (C)	UDL	\$15.93	70	Gannawarra (S)	RAV	\$383.25
71	Docklands Authority	UDS	\$15.13	71	Northern Grampians (S)	RAV	\$375.43
72	Yarra (C)	UDM	\$14.57	72	Mildura (RC)	URM	\$353.12
72	Bayside (C)	UDL	\$14.57	73	Horsham (RC)	URS	\$343.39
72	Port Phillip (C)	UDL	\$14.57	74	Loddon (S)	RAL	\$320.59
72	Monash (C)	UDV	\$14.57	75	Swan Hill (RC)	URS	\$304.62
72	Stonnington (C)	UDL	\$14.56	76	West Wimmera (S)	RAL	\$280.67
72	Boroondara (C)	UDV	\$14.56	77	Hindmarsh (S)	RAL	\$208.93
72	Melbourne (C)	UCC	\$14.56	78	Buloke (S)	RAL	\$206.88
72	Glen Eira (C)	UDV	\$14.56	79	Yarriambiack (S)	RAL	\$198.20

Table E3: Queensland councils ranked by financial assistance grant funding, by per capita and kilometre, 2000–01

Councils ranked by funding per capita				Councils ranked by funding per kilometre			
Rank	Local government area	Classification	GP grant per capita	Rank	Local government area	Classification	Local roads per km
1	Diamantina	RTX	\$4,667.01	1	Logan	UDV	\$1,692.53
2	Croydon	RTX	\$4,442.47	2	Redcliffe	UDM	\$1,682.35
3	Isisford	RTX	\$3,537.21	3	Brisbane	UCC	\$1,657.06
4	Ilfracombe	RTX	\$3,028.03	4	Gold Coast	URV	\$1,645.87
5	Burke	RTS	\$2,781.87	5	Toowoomba	URL	\$1,493.79
6	Boulia	RTS	\$2,590.55	6	Sue Island (Warraber)	URS	\$1,462.33
7	Perry	RAS	\$2,481.00	7	Gladstone	URS	\$1,398.21
8	Bulloo	RTS	\$2,287.62	8	Redland	UFL	\$1,341.43
9	Warroo	RAS	\$2,059.85	9	Bundaberg	URM	\$1,325.49
10	Tambo	RTS	\$1,957.50	10	Rockhampton	URM	\$1,318.44
11	Barcoo	RTS	\$1,680.36	11	Cairns	URL	\$1,239.08
12	Etheridge	RTS	\$1,644.95	12	Townsville	URL	\$1,210.92
13	Bendemere	RAS	\$1,544.83	13	Pine Rivers	UFL	\$1,207.73
14	Aramac	RTS	\$1,425.42	14	Thuringowa	UFM	\$1,128.02
15	Eidsvold	RAS	\$1,316.21	15	Murray Island	URS	\$1,061.40
16	Jericho	RTM	\$1,113.74	16	Maroochy	URL	\$1,038.31
17	Bungil	RAS	\$1,097.74	17	Coconut Island	URS	\$986.00
18	Richmond	RTM	\$1,072.47	18	Yam Island	URS	\$986.00

Councils ranked by funding per capita				Councils ranked by funding per kilometre			
Rank	Local government area	Classification	GP grant per capita	Rank	Local government area	Classification	Local roads per km
19	Winton	RTM	\$1,060.47	19	Ipswich	UFV	\$976.40
20	McKinlay	RTM	\$1,017.59	20	Goondiwindi	URS	\$976.28
21	Booringa	RAS	\$1,015.14	21	Caboolture	UFL	\$925.12
22	Taroom	RAM	\$948.64	22	Caloundra	URL	\$903.28
23	Yam Island	URS	\$822.48	23	Badu Island	URS	\$877.67
24	Carpentaria	RTM	\$803.42	24	Dalby	URS	\$874.80
25	Quilpie	RTM	\$797.72	25	Maryborough	URS	\$872.24
26	Biggenden	RAS	\$768.02	26	Charters Towers	URS	\$791.82
27	Sue Island (Warraber)	URS	\$729.49	27	Noosa	UFM	\$779.33
28	Barcaldine	RTM	\$721.57	28	Hervey Bay	URM	\$773.94
29	Yorke Island	URS	\$709.98	29	Mackay	URL	\$770.96
30	Tara	RAM	\$695.20	30	Palm Island	URS	\$759.90
31	Blackall	RTM	\$684.12	31	Stephen Island	URS	\$735.00
32	St Paul's Island	URS	\$653.98	32	Dauan Island	URS	\$704.33
33	Saibai Island	URS	\$644.00	33	Hammond Island	URS	\$681.00
34	Bauhinia	RAM	\$643.57	34	Saibai Island	URS	\$676.71
35	Badu Island	URS	\$633.86	35	Yorke Island	URS	\$644.50
36	Waggamba	RAM	\$626.39	36	Weipa South	URS	\$618.15
37	Paroo	RTM	\$614.03	37	Torres	URS	\$612.21
38	Dalrymple	RAM	\$609.76	38	Roma	URS	\$607.28
39	Darnley Island	URS	\$592.17	39	Beaudesert	UFM	\$604.28
40	Mabuiag Island	URS	\$577.55	40	Johnstone	UFS	\$593.60
41	Peak Downs	RAM	\$570.82	41	Mabuiag Island	URS	\$593.33
42	Murray Island	URS	\$555.09	42	Douglas	RSG	\$577.53
43	Boigu Island	URS	\$544.95	43	Whitsunday	RSG	\$561.41
44	Stephen Island	URS	\$531.98	44	Atherton	RAV	\$557.96
45	Hammond Island	URS	\$513.68	45	Sarina	RAL	\$541.19
46	Monto	RAM	\$507.34	46	St Paul's Island	URS	\$539.50
47	Dauan Island	URS	\$496.13	47	Cooloola	URM	\$534.88
48	New Mapoon	URS	\$488.02	State average			\$529.35
49	Clifton	RAM	\$487.35	48	Laidley	RSG	\$507.03
50	Murilla	RAM	\$473.00	49	Seisia Island	URS	\$500.40
51	Kubin Island	URS	\$468.05	50	Woorabinda	URS	\$490.31
52	Coconut Island	URS	\$467.45	51	Livingstone	UFS	\$486.54
53	Cook	RTL	\$463.41	52	Mount Isa	URS	\$485.09
54	Umagico	URS	\$443.23	53	Yarrabah	URS	\$482.98
55	Nebo	RAM	\$439.91	54	Gatton	RAV	\$479.80

Councils ranked by funding per capita				Councils ranked by funding per kilometre			
Rank	Local government area	Classification	GP grant per capita	Rank	Local government area	Classification	Local roads per km
56	Torres	URS	\$425.19	55	Burnett	UFS	\$479.72
57	Flinders	RTM	\$423.21	56	Burdekin	RAV	\$478.58
58	Mundubbera	RAM	\$382.69	57	Cardwell	RAL	\$476.70
59	Injinoo (Cowl Ck)	URS	\$372.79	58	Cherbourg	URS	\$464.31
60	Miriam Vale	RAM	\$368.32	59	Mount Morgan	RAM	\$463.55
61	Mornington	URS	\$365.63	60	Eacham	RAL	\$453.60
62	Inglewood	RAM	\$364.08	61	Emerald	RAV	\$446.66
63	Gayndah	RAM	\$348.73	62	Darnley Island	URS	\$441.30
64	Wondai	RAM	\$338.52	63	Bamaga	URS	\$440.60
65	Mapoon Aboriginal Council	URS	\$337.95	64	Hinchinbrook	RAV	\$440.13
66	Bamaga	URS	\$332.97	65	Calliope	RAV	\$434.04
67	Longreach	RTL	\$329.51	66	Mirani	RAL	\$433.10
68	Woocoo	RAM	\$327.98	67	Jondaryan	RAV	\$429.55
69	Murweh	RTL	\$312.28	68	Umagico	URS	\$425.68
70	Seisia Island	URS	\$308.27	69	Esk	RAV	\$425.35
71	Mount Morgan	RAM	\$297.75	70	Cambooya	RAM	\$420.55
72	Chinchilla	RAL	\$287.24	71	Wujal Wujal	URS	\$419.85
73	Aurukun	URS	\$284.92	72	Bowen	RAV	\$416.67
74	Weipa South	URS	\$280.05	73	Kingaroy	RAV	\$415.05
75	Herberton	RAL	\$274.78	74	Crow's Nest	RSG	\$414.81
76	Kilkivan	RAM	\$271.80	75	Boonah	RAL	\$413.29
77	Wujal Wujal	URS	\$270.82	76	Mareeba	RAV	\$411.46
78	Murgon	RAM	\$259.27	77	Murgon	RAM	\$410.12
79	Kolan	RAM	\$257.94	78	Nanango	RAL	\$409.68
80	Wambo	RAL	\$245.41	79	Warwick	URS	\$406.49
81	Broadsound	RAL	\$241.50	80	Isis	RAL	\$406.30
82	Kilcoy	RAM	\$205.38	81	Stanthorpe	RAL	\$405.66
83	Millmerran	RAM	\$198.36	82	Kubin Island	URS	\$400.76
84	Belyando	RAV	\$195.99	83	Fitzroy	RAL	\$395.32
85	Rosalie	RAL	\$192.32	84	Kilcoy	RAM	\$392.83
86	Cloncurry	RTL	\$191.11	85	Tiaro	RAM	\$391.61
87	Balonne	RAM	\$190.01	86	Broadsound	RAL	\$387.59
88	Lockhart River	URS	\$189.84	87	Pittsworth	RAM	\$387.47
89	Tiaro	RAM	\$180.84	88	Kolan	RAM	\$386.60
90	Doomadgee	URS	\$177.53	89	Herberton	RAL	\$385.10
91	Kowanyama	URS	\$172.23	90	Rosalie	RAL	\$384.55

Councils ranked by funding per capita				Councils ranked by funding per kilometre			
Rank	Local government area	Classification	GP grant per capita	Rank	Local government area	Classification	Local roads per km
92	Nanango	RAL	\$148.72	91	Duaringa	RAL	\$383.04
93	Banana	RAV	\$140.63	92	Belyando	RAV	\$381.82
94	Hopevale	URS	\$129.77	93	Miriam Vale	RAM	\$380.34
95	Eacham	RAL	\$123.07	94	Woocoo	RAM	\$380.17
96	Warwick	URS	\$119.60	95	Mapoon Aboriginal Council	URS	\$373.54
97	Duaringa	RAL	\$118.27	96	Aurukun	URS	\$372.77
98	Cambooya	RAM	\$116.33	97	Hopevale	URS	\$372.09
99	Palm Island	URS	\$115.67	98	New Mapoon	URS	\$371.45
100	Charters Towers	URS	\$111.66	99	Doomadgee	URS	\$371.43
101	Boonah	RAL	\$109.70	100	Gayndah	RAM	\$370.64
102	Isis	RAL	\$103.61	101	Clifton	RAM	\$370.51
103	Stanthorpe	RAL	\$102.77	102	Kilkivan	RAM	\$370.40
104	Fitzroy	RAL	\$97.22	103	Wondai	RAM	\$369.09
105	Yarrabah	URS	\$95.00	104	Mornington	URS	\$368.79
106	Mirani	RAL	\$93.72	105	Banana	RAV	\$367.98
107	Pittsworth	RAM	\$88.35	106	Nebo	RAM	\$367.27
108	Mareeba	RAV	\$87.03	107	Kowanyama	URS	\$365.27
109	Goondiwindi	URS	\$86.36	108	Injino (Cowl Ck)	URS	\$361.59
110	Calliope	RAV	\$84.97	109	Peak Downs	RAM	\$361.51
111	Kingaroy	RAV	\$83.84	110	Mundubbera	RAM	\$360.70
112	Roma	URS	\$80.78	111	Biggenden	RAS	\$359.56
113	Crow's Nest	RSG	\$80.46	112	Wambo	RAL	\$358.81
114	Pormpuraaw	URS	\$74.90	113	Inglewood	RAM	\$357.56
115	Mount Isa	URS	\$72.17	114	Lockhart River	URS	\$355.50
116	Bowen	RAV	\$65.88	115	Millmerran	RAM	\$354.94
117	Dalby	URS	\$63.74	116	Murilla	RAM	\$354.58
118	Hinchinbrook	RAV	\$63.56	117	Pormpuraaw	URS	\$354.25
119	Woorabinda	URS	\$62.81	118	Monto	RAM	\$354.03
120	Cherbourg	URS	\$62.57	119	Longreach	RTL	\$353.32
121	Livingstone	UFS	\$59.05	120	Chinchilla	RAL	\$352.62
122	Sarina	RAL	\$55.80	121	Cloncurry	RTL	\$350.86
123	Johnstone	UFS	\$55.17	122	Balonne	RAM	\$350.67
124	Jondaryan	RAV	\$52.19	123	Tara	RAM	\$350.62
125	Maryborough	URS	\$49.12	124	Murweh	RTL	\$349.45
Average			\$48.29	125	Waggamba	RAM	\$348.68
126	Cooloolo	URM	\$46.86	126	Barcaldine	RTM	\$347.94

Councils ranked by funding per capita				Councils ranked by funding per kilometre			
Rank	Local government area	Classification	GP grant per capita	Rank	Local government area	Classification	Local roads per km
127	Esk	RAV	\$42.73	127	Cook	RTL	\$347.80
128	Cardwell	RAL	\$42.65	128	Blackall	RTM	\$347.25
129	Hervey Bay	URM	\$39.00	129	Bauhinia	RAM	\$346.56
130	Gladstone	URS	\$35.51	130	Bendemere	RAS	\$345.33
131	Douglas	RSG	\$32.86	131	Eidsvold	RAS	\$344.92
132	Burnett	UFS	\$32.04	132	Taroom	RAM	\$344.63
133	Bundaberg	URM	\$31.66	133	Dalrymple	RAM	\$344.05
134	Burdekin	RAV	\$30.96	134	Bungil	RAS	\$343.85
135	Gatton	RAV	\$29.50	135	Flinders	RTM	\$343.55
136	Townsville	URL	\$28.14	136	Paroo	RTM	\$342.51
137	Atherton	RAV	\$26.14	137	Ilfracombe	RTX	\$342.42
138	Laidley	RSG	\$25.85	138	Perry	RAS	\$341.98
139	Mackay	URL	\$24.78	139	Booringa	RAS	\$341.53
140	Ipswich	UFV	\$24.36	140	Jericho	RTM	\$341.41
141	Thuringowa	UFM	\$23.39	141	Richmond	RTM	\$341.24
142	Whitsunday	RSG	\$23.00	142	Tambo	RTS	\$341.00
143	Emerald	RAV	\$22.42	143	McKinlay	RTM	\$340.33
144	Rockhampton	URM	\$20.48	144	Aramac	RTS	\$340.30
145	Cairns	URL	\$17.19	145	Warroo	RAS	\$339.90
146	Noosa	UFM	\$16.90	146	Burke	RTS	\$339.57
147	Toowoomba	URL	\$15.46	147	Winton	RTM	\$339.35
148	Redcliffe	UDM	\$15.08	148	Etheridge	RTS	\$338.63
149	Maroochy	URL	\$14.60	149	Quilpie	RTM	\$338.39
149	Beaudesert	UFM	\$14.60	150	Boulia	RTS	\$338.06
149	Caboolture	UFL	\$14.60	151	Diamantina	RTX	\$337.09
149	Pine Rivers	UFL	\$14.60	152	Croydon	RTX	\$336.91
149	Brisbane	UCC	\$14.60	153	Barcoo	RTS	\$336.76
149	Caloundra	URL	\$14.60	154	Isisford	RTX	\$336.74
149	Gold Coast	URV	\$14.60	155	Bulloo	RTS	\$299.97
149	Logan	UDV	\$14.60	156	Carpentaria	RTM	\$279.20
149	Redland	UFL	\$14.60	157	Boigu Island	URS	\$58.64

Table E4: Western Australian councils ranked by financial assistance grant funding, by per capita and kilometre, 2000–01

Councils ranked by funding per capita				Councils ranked by funding per kilometre			
Rank	Local government area	Classification	GP grant per capita	Rank	Local government area	Classification	Local roads per km
1	Murchison	RTX	\$4,725.09	1	Perth (C)	UCC	\$3,400.80
2	Sandstone	RTX	\$2,876.71	2	Geraldton (C)	URS	\$2,098.68
3	Upper Gascoyne	RTX	\$2,338.92	3	Subiaco (C)	UDS	\$1,782.46
4	Yalgoo	RTX	\$1,503.42	4	Vincent (T)	UDS	\$1,741.49
5	Menzies	RTX	\$1,378.37	5	Bunbury (C)	URS	\$1,738.76
6	Nungarin	RAS	\$1,102.03	6	Victoria Park (T)	UDS	\$1,591.84
7	Cue	RTS	\$1,059.84	7	Fremantle (C)	UDS	\$1,582.17
8	Westonia	RAS	\$957.58	8	Narrogin (T)	URS	\$1,563.37
9	Ngaanyatjarraku	RTM	\$804.50	9	Cambridge (T)	UDS	\$1,541.01
10	Trayning	RAS	\$782.83	10	Bayswater (C)	UDM	\$1,506.41
11	Koorda	RAS	\$738.27	11	Northam (T)	URS	\$1,487.48
12	Mount Marshall	RAS	\$670.13	12	Belmont (C)	UDS	\$1,459.50
13	Tammin	RAS	\$657.13	13	Claremont (T)	UDS	\$1,459.32
14	Shark Bay	RTS	\$648.90	14	Bassendean (T)	UDS	\$1,442.12
15	Perenjori	RAS	\$618.48	15	Capel (S)	RSG	\$1,428.27
16	Mount Magnet	RTS	\$614.80	16	Stirling (C)	UDV	\$1,423.76
17	Laverton	RTM	\$580.36	17	Cottesloe (T)	UDS	\$1,421.77
18	Wyalkatchem	RAS	\$548.98	18	Canning (C)	UDL	\$1,412.92
19	Woodanilling	RAS	\$516.31	19	South Perth (C)	UDM	\$1,408.45
20	Bruce Rock	RAS	\$492.90	20	Nedlands (C)	UDS	\$1,357.46
21	Dowerin (S)	RAS	\$473.10	21	Gosnells (C)	UFL	\$1,339.16
22	Mukinbudin (S)	RAS	\$470.05	22	East Fremantle (T)	UDS	\$1,327.11
23	Wiluna (S)	RTM	\$459.58	23	Joondalup (C)	UFV	\$1,312.15
24	Halls Creek (S)	RTL	\$439.95	24	Melville (C)	UDL	\$1,310.12
25	Carnamah (S)	RAS	\$421.05	25	Mosman Park (T)	UDS	\$1,247.95
26	Narembeen (S)	RAS	\$404.29	26	Peppermint Grove (S)	UDS	\$1,231.44
27	Dumbleyung (S)	RAS	\$399.29	27	Wanneroo (C)	UFL	\$1,230.82
28	Wickepin (S)	RAS	\$388.86	28	Busselton (S)	RSG	\$1,188.40
29	Kellerberrin (S)	RAS	\$386.67	29	Cockburn (C)	UFM	\$1,182.45
30	Morawa (S)	RAS	\$381.35	30	Kwinana (T)	UFS	\$1,158.15
31	Cuballing (S)	RAS	\$370.13	31	Swan (S)	UFL	\$1,154.97
32	Broomehill (S)	RAS	\$361.81	32	Rockingham (C)	UFM	\$1,145.22
33	Dalwallinu (S)	RAS	\$360.45	33	Mandurah (C)	URM	\$1,140.49
34	Meekatharra (S)	RTM	\$354.79	34	Mundaring (S)	UFM	\$1,079.49

Councils ranked by funding per capita				Councils ranked by funding per kilometre			
Rank	Local government area	Classification	GP grant per capita	Rank	Local government area	Classification	Local roads per km
35	Corrigin (S)	RAS	\$354.42	35	Armadale (C)	UFM	\$1,055.72
36	Quairading (S)	RAS	\$347.95	36	Kalamunda (S)	UFM	\$1,054.10
37	Exmouth (S)	RTM	\$346.31	37	Roebourne (S)	URS	\$886.51
38	Three Springs (S)	RAS	\$345.59	38	Serpentine-Jarrahdale (S)	RSG	\$841.92
39	Tambellup (S)	RAS	\$345.10	39	Donnybrook-Balingup (S)	RAM	\$817.84
40	Wandering (S)	RAS	\$341.21	40	Augusta-Margaret River (S)	RSG	\$813.48
41	Derby-West Kimberley (S)	RTL	\$334.24	41	Port Hedland (T)	URS	\$812.46
42	Kulin (S)	RAS	\$328.40	42	York (S)	RAM	\$802.86
43	Dundas (S)	RTM	\$327.82	43	Boddington (S)	RAS	\$775.17
44	Mingenew (S)	RAS	\$327.38	44	Northam (S)	RAM	\$772.92
45	Narrogin (S)	RAS	\$325.06	45	Collie (S)	RAL	\$755.18
46	Wyndham-East Kimberley (S)	RTL	\$307.37	46	Broome (S)	RTL	\$751.88
47	Cunderdin (S)	RAS	\$303.39	47	Brookton (S)	RAS	\$722.40
48	Nannup (S)	RAS	\$299.69	48	Denmark (S)	RAM	\$719.65
49	Wongan-Ballidu (S)	RAS	\$296.09	49	Exmouth (S)	RTM	\$704.89
50	Kondinin (S)	RAS	\$283.03	50	Waroona (S)	RAM	\$701.60
51	Carnarvon (S)	RAS	\$277.88	51	Wyndham-East Kimberley (S)	RTL	\$698.31
52	Pingelly (S)	RAS	\$275.19	52	Dardanup (S)	RSG	\$679.99
53	Kent (S)	RAS	\$272.90	53	Kalgoorlie/Boulder (C)	URM	\$674.42
54	Ashburton (S)	RTL	\$257.57	54	Murray (S)	RSG	\$673.64
55	East Pilbara (S)	RTL	\$241.76	55	Albany (C)	URS	\$667.35
56	Coorow (S)	RAS	\$236.51	56	Beverley (S)	RAS	\$654.40
57	Brookton (S)	RAS	\$235.73	57	Harvey (S)	RSG	\$652.79
58	Chapman Valley (S)	RAS	\$235.70	58	Manjimup (S)	RAV	\$626.16
59	Cranbrook (S)	RAS	\$230.98	59	Cunderdin (S)	RAS	\$621.59
60	Ravensthorpe (S)	RAS	\$216.02	60	Gingin (S)	RAM	\$595.95
61	Goomalling (S)	RAS	\$212.37	61	Toodyay (S)	RAM	\$583.54
62	Yilgarn (S)	RAM	\$207.05	62	Kojonup (S)	RAM	\$562.03
63	Jerramungup (S)	RAS	\$203.45	63	Bridgetown-Greenbushes (S)	RAM	\$559.86
64	Mullewa (S)	RAS	\$202.41	64	Halls Creek (S)	RTL	\$558.84
65	Beverley (S)	RAS	\$194.30	65	Greenough (S)	RSG	\$558.44
66	Wagin (S)	RAS	\$193.08	66	Nannup (S)	RAS	\$547.30
67	Lake Grace (S)	RAS	\$192.23	67	Chittering (S)	RAM	\$546.29
68	Merredin (S)	RAM	\$178.83	State average			\$513.38
69	Gnowangerup (S)	RAS	\$178.38	68	Katanning (S)	RAM	\$480.27

Councils ranked by funding per capita				Councils ranked by funding per kilometre			
Rank	Local government area	Classification	GP grant per capita	Rank	Local government area	Classification	Local roads per km
70	Leonora (S)	RTM	\$175.74	69	Boyup Brook (S)	RAS	\$470.37
71	Broome (S)	RTL	\$168.99	70	Carnarvon (S)	RAL	\$435.86
72	Boyup Brook (S)	RAS	\$161.83	71	East Pilbara (S)	RTL	\$435.08
73	Northam (S)	RAM	\$160.31	72	Bruce Rock (S)	RAS	\$432.64
74	Katanning (S)	RAM	\$157.66	73	Moora (S)	RAM	\$423.60
75	Victoria Plains (S)	RAS	\$157.28	74	Dandaragan (S)	RAM	\$419.92
76	Bridgetown-Greenbushes (S)	RAM	\$148.34	75	Quairading (S)	RAS	\$416.23
77	Roebourne (S)	URS	\$147.95	76	Irwin (S)	RAM	\$412.98
78	Toodyay (S)	RAM	\$146.51	77	Ngaanyatjarraku (S)	RTM	\$408.84
79	Northampton (S)	RAM	\$143.51	78	Mingenew (S)	RAS	\$406.09
80	West Arthur (S)	RAS	\$137.15	79	Pingelly (S)	RAS	\$405.44
81	York (S)	RAM	\$136.04	80	Wongan-Ballidu (S)	RAS	\$404.83
82	Donnybrook-Balingup (S)	RAM	\$130.73	81	Broomehill (S)	RAS	\$403.50
83	Manjimup (S)	RAV	\$129.22	82	Derby-West Kimberley (S)	RTL	\$402.96
84	Kojonup (S)	RAM	\$126.15	83	Shark Bay (S)	RTS	\$400.24
85	Moora (S)	RAM	\$120.36	84	Wagin (S)	RAS	\$398.25
86	Waroon (S)	RAM	\$116.38	85	Goomalling (S)	RAS	\$393.38
87	Narrogin (T)	URS	\$115.86	86	Corrigin (S)	RAS	\$392.54
88	Chittering (S)	RAM	\$115.54	87	Tambellup (S)	RAS	\$391.44
89	Port Hedland (T)	URS	\$113.69	88	Merredin (S)	RAM	\$389.43
90	Dandaragan (S)	RAM	\$112.29	89	Esperance (S)	RAV	\$387.85
91	Esperance (S)	RAV	\$111.68	90	Northampton (S)	RAM	\$385.35
92	Boddington (S)	RAS	\$111.36	91	Trayning (S)	RAS	\$383.31
93	Northam (T)	URS	\$108.31	92	Plantagenet (S)	RAM	\$381.68
94	Collie (S)	RAL	\$106.14	93	Three Springs (S)	RAS	\$379.01
95	Coolgardie (S)	URS	\$105.41	94	Carnamah (S)	RAS	\$376.88
96	Denmark (S)	RAM	\$103.18	95	Coorow (S)	RAS	\$375.62
97	Irwin (S)	RAM	\$93.64	96	Kellerberrin (S)	RAS	\$373.03
98	Capel (S)	RSG	\$84.45	97	Wyalkatchem (S)	RAS	\$368.38
99	Murray (S)	RSG	\$78.18	98	Cuballing (S)	RAS	\$368.17
100	Gingin (S)	RAM	\$76.91	99	Gnowangerup (S)	RAS	\$368.00
101	Plantagenet (S)	RAM	\$74.74	100	Victoria Plains (S)	RAS	\$367.01
102	Serpentine-Jarrahdale (S)	RSG	\$72.28	101	Woodanilling (S)	RAS	\$366.17
103	Albany (C)	URS	\$66.39	102	Cranbrook (S)	RAS	\$364.17
104	Greenough (S)	RSG	\$62.79	103	Tammin (S)	RAS	\$363.48
105	Dardanup (S)	RSG	\$58.30	104	Wickepin (S)	RAS	\$363.46
106	Augusta-Margaret River (S)	RSG	\$56.51	105	Dalwallinu (S)	RAS	\$363.44

Councils ranked by funding per capita				Councils ranked by funding per kilometre			
Rank	Local government area	Classification	GP grant per capita	Rank	Local government area	Classification	Local roads per km
107	Geraldton (C)	URS	\$52.60	106	Morawa (S)	RAS	\$362.60
108	Williams (S)	RAS	\$52.24	107	Wandering (S)	RAS	\$362.36
109	Mundaring (S)	UFM	\$50.01	108	Williams (S)	RAS	\$361.24
Average			\$48.29	109	Koorda (S)	RAS	\$360.35
110	Harvey (S)	RSG	\$45.77	110	Dowerin (S)	RAS	\$358.78
111	Kalgoorlie/Boulder (C)	URM	\$42.67	111	Ashburton (S)	RTL	\$356.26
112	Armadale (C)	UFM	\$33.17	112	Dumbleyung (S)	RAS	\$355.85
113	Bunbury (C)	URS	\$27.39	113	West Arthur (S)	RAS	\$354.14
114	Kalamunda (S)	UFM	\$25.22	114	Nungarin (S)	RAS	\$354.03
115	Bassendean (T)	UDS	\$24.38	115	Narrogin (S)	RAS	\$353.21
116	Busselton (S)	RSG	\$19.22	116	Westonia (S)	RAS	\$350.98
117	Kwinana (T)	UFS	\$17.95	117	Mukinbudin (S)	RAS	\$348.12
118	Gosnells (C)	UFL	\$16.47	118	Chapman Valley (S)	RAS	\$347.06
119	Perth (C)	UCC	\$14.56	119	Coolgardie (S)	URS	\$344.04
119	Cambridge (T)	UDS	\$14.56	120	Cue (S)	RTX	\$343.15
119	Fremantle (C)	UDS	\$14.56	121	Narembeen (S)	RAS	\$341.41
119	Belmont (C)	UDS	\$14.56	122	Kulin (S)	RAS	\$341.17
119	Rockingham (C)	UFM	\$14.56	123	Jerramungup (S)	RAS	\$325.41
119	Canning (C)	UDL	\$14.56	124	Mount Marshall (S)	RAS	\$322.20
119	East Fremantle (T)	UDS	\$14.56	125	Sandstone (S)	RTX	\$321.57
119	South Perth (C)	UDM	\$14.56	126	Dundas (S)	RTM	\$318.75
119	Bayswater (C)	UDM	\$14.56	127	Lake Grace (S)	RAS	\$315.24
119	Melville (C)	UDL	\$14.56	128	Kondinin (S)	RAS	\$314.53
119	Cockburn (C)	UFM	\$14.56	129	Mount Magnet (S)	RTS	\$310.15
119	Swan (S)	UFL	\$14.56	130	Perenjori (S)	RAS	\$307.36
119	Wanneroo (C)	UFL	\$14.56	131	Ravensthorpe (S)	RAS	\$306.61
119	Stirling (C)	UDV	\$14.56	132	Kent (S)	RAS	\$295.35
119	Joondalup (C)	UFV	\$14.56	133	Leonora (S)	RTM	\$294.34
119	Claremont (T)	UDS	\$14.56	134	Mullewa (S)	RAS	\$285.70
119	Mandurah (C)	URM	\$14.56	135	Yalgoo (S)	RTX	\$283.96
119	Vincent (T)	UDS	\$14.56	136	Yilgarn (S)	RAM	\$260.46
119	Victoria Park (T)	UDS	\$14.56	137	Wiluna (S)	RTM	\$260.05
119	Nedlands (C)	UDS	\$14.56	138	Meekatharra (S)	RTM	\$258.94
119	Mosman Park (T)	UDS	\$14.56	139	Laverton (S)	RTM	\$258.79
119	Subiaco (C)	UDS	\$14.56	140	Menzies (S)	RTX	\$244.55
119	Cottesloe (T)	UDS	\$14.56	141	Upper Gascoyne (S)	RTX	\$242.19
119	Peppermint Grove (S)	UDS	\$14.56	142	Murchison (S)	RTX	\$236.86

Table E5: South Australian councils ranked by financial assistance grant funding, by per capita and kilometre, 2000–01

Councils ranked by funding per capita				Councils ranked by funding per kilometre			
Rank	Local government area	Classification	GP grant per capita	Rank	Local government area	Classification	Local roads per km
1	Le Hunte (DC)	RAS	\$374.35	1	Norwood Payneham and St Peters (C)	UDM	\$2,174.19
2	Streaky Bay (DC)	RAS	\$316.35	2	Mount Gambier (C)	URS	\$1,961.60
3	Franklin Harbour (DC)	RAS	\$311.11	3	Burnside (C)	UDM	\$1,874.40
4	Flinders Ranges	RAS	\$310.33	4	Mitcham (C)	UDM	\$1,564.40
5	Orroroo/Carrieton (DC)	RAS	\$308.10	5	Charles Sturt (C)	UDL	\$1,463.04
6	Maralinga	RTX	\$302.18	6	Salisbury (C)	UDL	\$1,446.78
7	Anangu Pitjantjatjara	RTM	\$302.18	7	Prospect (C)	UDS	\$1,388.48
8	Peterborough (DC)	RAM	\$301.80	8	Victor Harbor	RAV	\$1,371.35
9	Ceduna (DC)	RAM	\$287.01	9	Unley (C)	UDM	\$1,369.39
10	Karoonda-East Murray (DC)	RAS	\$278.91	10	Walkerville (M)	UDS	\$1,306.26
11	Kimba (DC)	RAS	\$274.88	11	Adelaide (C)	UCC	\$1,265.28
12	Elliston (DC)	RAS	\$265.29	12	Gawler (M)	UFS	\$1,263.17
13	Cleve (DC)	RAS	\$262.57	13	Holdfast Bay (C)	UDM	\$1,260.41
14	Yalata	RTX	\$261.89	14	West Torrens Thebarton (C)	UDM	\$1,228.39
15	Nepabunna	RTX	\$251.81	15	Marion (C)	UDL	\$1,227.91
16	Southern Mallee (DC)	RAM	\$237.35	16	Campbelltown (C)	UDM	\$1,227.65
17	Mount Remarkable (DC)	RAM	\$227.76	17	Port Adelaide Enfield	UDL	\$1,128.57
18	Goyder (RG)	RAM	\$223.35	18	Gerard	RTX	\$1,124.40
19	Gerard	RTX	\$221.60	19	Nepabunna	RTX	\$1,119.50
20	Mid Murray	RAL	\$186.76	20	Tea Tree Gully (C)	UDL	\$1,100.28
21	Cooper Pedy (DC)	URS	\$173.89	21	Onkaparinga (DC)	UFV	\$1,007.39
22	Kangaroo Island	RAM	\$161.97	22	Whyalla (C)	URS	\$942.27
23	Port Augusta (C)	URS	\$154.82	23	Roxby Downs (M)	URS	\$929.32
24	Coorong (DC)	RAL	\$153.01	24	Renmark Paringa (DC)	RAL	\$874.96
25	Outback Areas Community Development Trust	RTL	\$151.09	25	Playford (C)	UFM	\$853.31
26	Port Pirie (C&DC)	RAV	\$136.96	26	Port Lincoln (C)	URS	\$841.14
27	Northern Areas	RAL	\$133.57	27	Murray Bridge (DC)	RAV	\$468.49
28	Wakefield (RG)	RAL	\$131.76	28	Cooper Pedy (DC)	URS	\$436.59
29	Renmark Paringa (DC)	RAL	\$128.77	29	Adelaide Hills	UFM	\$423.49
30	Loxton Waikerie (DC)	RAV	\$126.55	30	Port Augusta (C)	URS	\$417.84

Councils ranked by funding per capita				Councils ranked by funding per kilometre			
Rank	Local government area	Classification	GP grant per capita	Rank	Local government area	Classification	Local roads per km
31	Whyalla (C)	URS	\$118.34	31	Barossa	RAV	\$353.86
32	Barunga West (DC)	RAM	\$117.53	32	Mount Barker (DC)	URS	\$346.47
33	Naracoorte Lucindale	RAL	\$116.12	33	Berri and Barmera	RAV	\$338.46
34	Tumby Bay (DC)	RAM	\$105.00	34	Northern Areas	RAL	\$310.55
35	Tatiara (DC)	RAL	\$101.22	State average			\$301.76
36	Yorke Peninsula (DC)	RAV	\$100.31	35	Le Hunte (DC)	RAS	\$289.74
37	Copper Coast (DC)	RAV	\$95.34	36	Grant (DC)	RAL	\$254.58
38	Berri and Barmera	RAV	\$94.18	37	Port Pirie (C&DC)	RAV	\$250.04
39	Murray Bridge (DC)	RAV	\$92.98	38	Light RC	RAV	\$243.39
40	Lower Eyre Peninsula (DC)	RAM	\$91.64	39	Karoonda-East Murray (DC)	RAS	\$228.59
41	Wattle Range	RAV	\$88.69	40	Coorong (DC)	RAL	\$210.99
42	Grant (DC)	RAL	\$79.84	41	Alexandrina	RAV	\$203.36
43	Playford (C)	UFM	\$75.13	42	Kingston (DC)	RAM	\$201.96
44	Kingston (DC)	RAM	\$74.18	43	Naracoorte Lucindale	RAL	\$197.02
45	Port Lincoln (C)	URS	\$67.03	44	Flinders Ranges	RAS	\$186.61
46	Mallala (DC)	RAL	\$66.11	45	Loxton Waikerie (DC)	RAV	\$183.42
47	Salisbury (C)	UDL	\$59.88	46	Copper Coast (DC)	RAV	\$175.04
48	Clare and Gilbert Valleys	RAL	\$59.43	47	Elliston (DC)	RAS	\$172.63
49	Robe (DC)	RAS	\$56.40	48	Southern Mallee (DC)	RAM	\$172.50
Average			\$48.29	49	Tatiara (DC)	RAL	\$168.82
50	Onkaparinga (DC)	UFV	\$37.41	50	Kangaroo Island	RAM	\$163.76
51	Light RC	RAV	\$30.90	51	Lower Eyre Peninsula (DC)	RAM	\$158.63
52	Gawler (M)	UFS	\$30.88	52	Robe (DC)	RAS	\$154.33
53	Port Adelaide Enfield	UDL	\$30.74	53	Yankalilla (DC)	RAM	\$148.69
54	Adelaide (C)	UCC	\$30.52	54	Mid Murray	RAL	\$146.51
55	Mount Gambier (C)	URS	\$29.87	55	Mallala (DC)	RAL	\$145.73
56	Alexandrina	RAV	\$27.45	56	Streaky Bay (DC)	RAS	\$142.32
57	Adelaide Hills	UFM	\$27.35	57	Franklin Harbour (DC)	RAS	\$142.21
58	Barossa	RAV	\$26.74	58	Ceduna (DC)	RAM	\$138.90
59	Yankalilla (DC)	RAM	\$24.32	59	Wattle Range	RAV	\$138.32
60	Tea Tree Gully (C)	UDL	\$20.22	60	Tumby Bay (DC)	RAM	\$136.40
61	Marion (C)	UDL	\$20.18	61	Cleve (DC)	RAS	\$135.60
62	Campbelltown (C)	UDM	\$19.66	62	Yorke Peninsula (DC)	RAV	\$124.17
63	Mount Barker (DC)	URS	\$19.46	63	Clare and Gilbert Valleys	RAL	\$123.88
64	Charles Sturt (C)	UDL	\$19.25	64	Peterborough (DC)	RAM	\$121.37

Councils ranked by funding per capita				Councils ranked by funding per kilometre			
Rank	Local government area	Classification	GP grant per capita	Rank	Local government area	Classification	Local roads per km
65	West Torrens Thebarton (C)	UDM	\$18.06	65	Goyder (RG)	RAM	\$120.57
66	Holdfast Bay (C)	UDM	\$16.73	66	Yalata	RTX	\$119.75
67	Victor Harbor	RAV	\$15.72	67	Barunga West (DC)	RAM	\$119.64
68	Norwood Payneham and St Peters (C)	UDM	\$15.54	68	Wakefield (RG)	RAL	\$111.94
69	Prospect (C)	UDS	\$15.47	69	Mount Remarkable (DC)	RAM	\$106.96
70	Walkerville (M)	UDS	\$14.52	70	Anangu Pitjantjatjara	RTM	\$105.49
70	Roxby Downs (M)	URS	\$14.52	71	Kimba (DC)	RAS	\$104.81
70	Burnside (C)	UDM	\$14.52	72	Orroroo/Carrieton (DC)	RAS	\$97.04
70	Mitcham (C)	UDM	\$14.52	73	Outback Areas Community Development Trust	RTL	\$0.00
70	Unley (C)	UDM	\$14.52	73	Maralinga	RTX	\$0.00

Table E6: Tasmanian councils ranked by financial assistance grant funding, by per capita and kilometre, 2000–01

Councils ranked by funding per capita				Councils ranked by funding per kilometre			
Rank	Local government area	Classification	GP grant per capita	Rank	Local government area	Classification	Local roads per km
1	Flinders (M)	RAS	\$403.50	1	Hobart (C)	UCC	\$3,048.93
2	Central Highlands (M)	RAM	\$229.70	2	Glenorchy (C)	URM	\$2,761.72
3	King Island (M)	RAS	\$197.94	3	Devonport (C)	URS	\$2,527.08
4	Southern Midlands (M)	RAL	\$132.91	4	Launceston (C)	URM	\$2,224.82
5	West Coast (M)	RAL	\$121.64	5	West Coast (M)	RAL	\$2,094.73
6	Kentish (M)	RAL	\$119.23	6	Brighton (M)	URS	\$2,059.11
7	Tasman (M)	RAM	\$118.95	7	Burnie (C)	URS	\$2,010.47
8	Break O'day (M)	RAL	\$117.53	8	Clarence (C)	URM	\$1,875.88
9	Dorset (M)	RAL	\$107.68	9	Break O'day (M)	RAL	\$1,576.89
10	Northern Midlands (M)	RAV	\$99.56	10	Sorell (M)	RAV	\$1,565.32
11	Circular Head (M)	RAL	\$96.44	11	Central Coast (M)	URS	\$1,540.68
12	Glamorgan – Spring Bay (M)	RAM	\$94.65	State average			\$1,536.32
13	George Town (M)	RAL	\$83.17	12	Southern Midlands (M)	RAL	\$1,524.99
14	Huon Valley (M)	RAV	\$70.13	13	Dorset (M)	RAL	\$1,484.73
15	Waratah – Wynyard (M)	RAV	\$68.55	14	Waratah – Wynyard (M)	RAV	\$1,484.33
16	Meander Valley (M)	RAV	\$66.57	15	Meander Valley (M)	RAV	\$1,482.76

Councils ranked by funding per capita				Councils ranked by funding per kilometre			
Rank	Local government area	Classification	GP grant per capita	Rank	Local government area	Classification	Local roads per km
17	Derwent Valley (M)	RAL	\$59.28	16	Kingborough (M)	URS	\$1,478.76
18	Central Coast (M)	URS	\$59.08	17	Derwent Valley (M)	RAL	\$1,444.48
19	Sorell (M)	RAV	\$59.00	18	Kentish (M)	RAL	\$1,411.28
20	Brighton (M)	URS	\$55.49	19	George Town (M)	RAL	\$1,398.60
21	Latrobe (M)	RAL	\$55.45	20	Northern Midlands (M)	RAV	\$1,352.95
22	West Tamar (M)	UFS	\$51.02	21	Huon Valley (M)	RAV	\$1,340.11
23	Burnie (C)	URS	\$48.59	22	Latrobe (M)	RAL	\$1,324.85
Average			\$48.29	23	West Tamar (M)	UFS	\$1,307.59
24	Kingborough (M)	URS	\$35.12	24	Glamorgan – Spring Bay (M)	RAM	\$1,273.56
25	Devonport (C)	URS	\$32.70	25	Circular Head (M)	RAL	\$1,181.76
26	Launceston (C)	URM	\$27.14	26	Tasman (M)	RAM	\$1,040.22
27	Clarence (C)	URM	\$23.72	27	Central Highlands (M)	RAM	\$1,031.02
28	Hobart (C)	UCC	\$14.50	28	Flinders (M)	RAS	\$948.86
28	Glenorchy (C)	URM	\$14.50	29	King Island	RAS	\$946.68

Table E7: Northern Territory councils ranked by financial assistance grant funding, by per capita and kilometre, 2000–01

Councils ranked by funding per capita				Councils ranked by funding per kilometre			
Rank	Local government area	Classification	GP grant per capita	Rank	Local government area	Classification	Local roads per km
1	Peppimenarti	RTX	\$375.77	1	Amoonguna	RTX	\$6,666.67
2	Ikuntji	RTX	\$369.53	2	Elliott District	RTS	\$5,000.00
3	Imanpa	RTX	\$314.98	3	Binjari	RTX	\$4,000.00
4	Milyakburra	RTX	\$286.26	4	Jabiru (T)	URS	\$3,669.95
5	Yuelamu	RTX	\$255.59	5	Tennant Creek (T)	URS	\$3,514.03
6	Aputula	RTX	\$239.73	6	Palmerston (T)	UFS	\$3,308.95
7	Minjilang	RTX	\$237.57	7	Darwin (C)	UCC	\$3,264.71
8	Wallace Rockhole	RTX	\$233.01	8	Cox Peninsula	RTX	\$3,201.15
9	Nyirripi	RTX	\$232.11	9	Alice Springs (T)	URS	\$3,139.39
10	Arltarlpilta	RTX	\$216.71	10	Katherine (T)	URS	\$2,779.86
11	Kaltukatjara	RTX	\$209.14	11	Mataranka	RTX	\$2,046.19
12	Areyonga	RTX	\$202.42	12	Gulin Gulin and Weemol	RTX	\$2,032.33
13	Papunya	RTX	\$201.13	13	Walingeri-Ngumpinku	RTX	\$2,000.00
14	Jilkminggan	RTX	\$199.87	14	Litchfield (S)	RAV	\$1,950.01

Councils ranked by funding per capita				Councils ranked by funding per kilometre			
Rank	Local government area	Classification	GP grant per capita	Rank	Local government area	Classification	Local roads per km
15	Walungurru	RTS	\$199.58	15	Borrooloola	RTS	\$1,851.72
16	Aherrenge (Arunga)	RTX	\$191.39	16	Pine Creek	RTS	\$1,789.52
17	Watiyawanu (Mt Liebig)	RTX	\$187.42	17	Timber Creek	RTX	\$1,683.45
18	Warruwi	RTX	\$178.10	18	Jilkminggan	RTX	\$1,666.67
19	Tapatijatjaka	RTX	\$177.95	19	Coomalie (CGC)	RTM	\$1,579.50
20	Nganmariyanga (Palumpa)	RTX	\$165.62	20	Marngarr	RTX	\$1,538.46
21	Gulin Gulin and Weemol	RTX	\$164.00	21	Warruwi	RTX	\$1,137.51
22	Ramingining	RTS	\$163.16	22	Yugal Mangi	RTM	\$1,113.62
23	Timber Creek	RTX	\$158.64	23	Imanpa	RTX	\$1,109.30
24	Belyuen	RTX	\$158.47	24	Yirkala/Dhanbul	RTS	\$986.77
25	Kunbarllanjja	RTS	\$149.61	25	Barunga Manyallaluk	RTS	\$952.10
26	Walingeri-Ngumpinku	RTX	\$146.94	26	Peppimenarti	RTX	\$949.36
27	Amoonguna	RTX	\$144.48	27	Minjilang	RTX	\$927.05
28	Binjari	RTX	\$144.04	28	Milingimbi	RTS	\$924.63
29	Urapuntja	RTS	\$135.78	29	Angurugu	RTS	\$921.05
30	Umbakumba	RTS	\$135.38	30	Wallace Rockhole	RTX	\$869.57
31	Yugal Mangi	RTM	\$132.38	31	Naiyu Nambiyu	RTS	\$804.05
32	Ali Curung	RTS	\$130.84	32	Areyonga	RTX	\$789.78
33	Naiyu Nambiyu	RTS	\$125.99	33	Anmatjere	RTM	\$773.07
34	Ntaria	RTS	\$119.06	34	Watiyawanu (Mt Liebig)	RTX	\$769.23
35	Barunga Manyallaluk	RTS	\$118.66	35	Wugularr	RTS	\$751.89
36	Yuendumu	RTM	\$115.67		State average		\$761.12
37	Galiwinku	RTM	\$114.92	36	Alpurrurulam	RTS	\$689.66
38	Gapuwiyak	RTS	\$114.07	37	Aherrenge (Arunga)	RTX	\$670.97
39	Marngarr	RTX	\$113.65	38	Umbakumba	RTS	\$631.24
40	Kardu Numida	RTM	\$112.33	39	Arltarlpita	RTX	\$606.06
41	Numbulwar/Numburindi	RTS	\$111.09	40	Kunbarllanjja	RTS	\$597.56
42	Ltyentye Purte (Santa Teresa)	RTS	\$110.08	41	Ltyentye Purte (Santa Teresa)	RTS	\$596.09
43	Anmatjere	RTM	\$108.84	42	Ramingining	RTS	\$570.85
44	Daguragu	RTS	\$99.48	43	Daguragu	RTS	\$556.48
45	Wugularr	RTS	\$95.49	44	Milyakburra	RTX	\$522.71
46	Maningrida	RTM	\$95.04	45	Numbulwar/Numburindi	RTS	\$446.90
47	Alpurrurulam	RTS	\$94.29	46	Aputula	RTX	\$435.75
48	Milingimbi	RTS	\$93.58	47	Galiwinku	RTM	\$411.29
49	Lajamanu	RTM	\$92.07	48	Gapuwiyak	RTS	\$393.31
50	Angurugu	RTS	\$88.67	49	Kardu Numida	RTM	\$389.32

Councils ranked by funding per capita				Councils ranked by funding per kilometre			
Rank	Local government area	Classification	GP grant per capita	Rank	Local government area	Classification	Local roads per km
51	Yirrkala/Dhanbul	RTS	\$79.98	50	Tapatijatjaka	RTX	\$357.14
52	Tennant Creek (T)	URS	\$74.84	51	Maningrida	RTM	\$341.62
53	Mataranka	RTX	\$60.64	52	Walungurru	RTS	\$332.75
54	Borrooloola	RTS	\$60.39	53	Belyuen	RTX	\$327.43
55	Elliott District	RTS	\$58.64	54	Ali Curung	RTS	\$325.87
56	Coomalie (CGC)	RTM	\$55.00	55	Nganmariyanga (Palumpa)	RTX	\$315.08
57	Cox Peninsula	RTX	\$54.14	56	Yuendumu	RTM	\$286.32
Average			\$48.29	57	Ikuntji	RTX	\$277.07
58	Pine Creek	RTS	\$48.36	58	Papunya	RTX	\$275.33
59	Jabiru (T)	URS	\$46.26	59	Kaltukatjara	RTX	\$254.61
60	Katherine (T)	URS	\$44.02	60	Ntaria	RTS	\$247.25
61	Palmerston (T)	UFS	\$41.66	61	Nyirripi	RTX	\$239.84
62	Litchfield (S)	RAV	\$41.61	62	Yuelamu	RTX	\$234.18
63	Alice Springs (T)	URS	\$31.29	63	Lajamanu	RTM	\$224.68
64	Darwin (C)	UCC	\$19.92	64	Tennant Creek Remote	RTX	\$204.88
65	Tennant Creek Remote	RTX	\$0.00	65	Urapuntja	RTS	\$198.72
66	Tiwi Island	RTM	\$0.00	66	Tiwi Island	RTM	\$0.00

APPENDIX F

AUSTRALIAN CLASSIFICATION OF LOCAL GOVERNMENTS

The Australian Classification of Local Governments (ACLG) was first published in September 1994 and has proved a useful way to categorise local governments across Australia.

The local governments included in the classification system are those that receive general purpose financial assistance grants as defined under the *Local Government (Financial Assistance) Act 1995*. Therefore, bodies, declared by the Commonwealth Minister on the advice of the State Minister to be local governing bodies for the purposes of the Act, are included in the ACLG. These include community councils. However, county councils, regional councils and the Australian Capital Territory are excluded.

The classification system involves three steps. Each step allocates a prefix (letter/s of the alphabet) to develop a three-letter identifier for each class of local government (there are 22 categories). So, for example, a medium-sized council in a rural agricultural area would be classified as RAM – rural, agricultural, medium. If it was remote, however, it would be classified as RTM. Table F.1 provides information on the structure of the classification system.

Table F.2 provides details of the number of councils in existence during 2000–01, by ACLG

category and by State and table F.3 provides a full listing of all councils by classification group.

Local government grants commissions do not take the ACLG classification of a council into account when determining the level of general purpose grant. Councils are, however, grouped by ACLG in the National Report (see appendixes D and E) to help compare grant outcomes with other similarly classified councils.

Under current arrangements, the local government grants commission in each State and the Northern Territory consults with the State Local Government Department and Local Government Association and advises of any changes to classifications in their jurisdiction. Changes to a classification are published each year in the National Report – changes to council classifications since 30 June 2000 are at table F.4.

Background

Developers of the system recognised that, with so many different types of local government in Australia, and with changing population distribution patterns, there will be occasions where a council’s profile does not fully match the characteristics of the class into which it has been

placed. When this occurs, a local government may be reallocated to a classification that more accurately reflects its circumstances. In the event, less than a dozen councils have been reallocated over the period since 1994 and some of those, such as Surf Coast in Victoria, were in transition to being fully in a new classification because of population growth.

The original report of the Steering Committee for the ACLG recommended that the classification

system be fully reviewed every five years with a revision due in 1999. A review by the Department of Transport and Regional Services commenced in April 2001 for consideration, at its next meeting, by the Local Government Joint Officers Group.

Further details of the classification system can be found in the original report on the ACLG (Department of Housing and Regional Development, 1994).

Table F.1: Structure of the classification system

Step 1	Step 2	Step 3	Identifiers	Category
URBAN (U)	Capital City (CC)			UCC
Population more than 20 000	Metropolitan Developed (D) Part of an urban centre of more than 1 000 000 or population density more than 600/sq km	Small (S) Medium (M) Large (L) Very Large (V)	up to 30 000 30 001–70 000 70 001–120 000 more than 120 000	UDS UDM UDL UD
OR	Regional Towns/City (R) Part of an urban centre with population less than 1 000 000 and predominantly urban in nature	Small (S) Medium (M) Large (L) Very Large (V)	up to 30 000 30 001–70 000 70 001–120 000 more than 120 000	URS URM URL URV
OR	Fringe (F) A developing LGA on the margin of a developed or regional urban centre	Small (S) Medium (M) Large (L) Very Large (V)	up to 30 000 30 001–70 000 70 001–120 000 more than 120 000	UFS UFM UFL UFV
RURAL (R)	Significant Growth (SG) Average annual population growth more than 3 per cent, population more than 5 000 and not remote	Not applicable		RSG
AND	Agricultural (A)	Small (S) Medium (M) Large (L) Very Large (V)	up to 2 000 2 001–5 000 5 001–10 000 10 001–20 000	RAS RAM RAL RAV
AND	Remote (T)	Extra Small (X) Small (S) Medium (M) Large (L) up to	400 401–1 000 1 001–3 000 3 001–20 000	RTS RTM RTL RTX

Table F.2: Number of councils by ACLG by category and by State, 2000–01

State	NSW	Vic	Qld	WA	SA	Tas	NT ¹	Total
Urban Capital City (UCC)	1	1	1	1	1	1	1	7
Urban Development Small (UDS)	4	1	0	13	2	0	0	20
Urban Development Medium (UDM)	13	2	1	2	7	0	0	25
Urban Development Large (UDL)	7	9	0	2	5	0	0	23
Urban Development Very Large (UDV)	8	10	1	1	0	0	0	20
Urban Fringe Small (UFS)	0	1	3	1	1	1	1	8
Urban Fringe Medium (UFM)	3	3	3	5	2	0	0	16
Urban Fringe Large (UFL)	1	3	3	3	0	0	0	10
Urban Fringe Very Large (UFV)	7	3	1	1	1	0	0	13
Urban Regional Small (URS)	15	13	43	8	7	5	4	95
Urban Regional Medium (URM)	18	8	4	2	0	3	0	35
Urban Regional Large (URL)	2	3	4	0	0	0	0	9
Urban Regional Very Large (URV)	3	1	3	0	0	0	0	7
Rural Significant Growth (RSG)	0	1	4	8	0	0	0	13
Rural Agricultural Small (RAS)	6	0	7	52	10	2	0	77
Rural Agricultural Medium (RAM)	38	0	26	18	11	3	0	96
Rural Agricultural Large (RAL)	27	8	14	2	10	9	0	70
Rural Agricultural Very Large (RAV)	18	12	14	2	11	5	1	63
Rural Remote Extra Small (RTX)	3	0	4	5	4	0	30	46
Rural Remote Small (RTS)	0	0	8	3	0	0	22	33
Rural Remote Medium (RTM)	1	0	9	7	1	0	10	28
Rural Remote Large (RTL)	1	0	4	6	1	0	0	12
Total	176	79	157	142	74	29	70	726

Note: 1 Excludes Northern Territory Trust fund

Table F.3: ACLG category listing of local governments by State, 2001

Council name	Category	Council name	Category
New South Wales		Coffs Harbour City	URM
Albury City	URM	Conargo Shire	RAS
Armidale Dumaresq	URS	Coolah Shire	RAM
Ashfield Municipal	UDM	Coolamon Shire	RAM
Auburn	UDM	Cooma-Monaro Shire	RAL
Ballina Shire	URM	Coonabarabran Shire	RAL
Balranald Shire	RAM	Coonamble Shire	RAM
Bankstown City	UDV	Cootamundra Shire	RAL
Barraba Shire	RAM	Copmanhurst Shire	RAM
Bathurst City	URM	Corowa Shire	RAL
Baulkham Hills Shire	UFV	Cowra Shire	RAV
Bega Valley Shire	URS	Crookwell Shire	RAM
Bellingen Shire	RAV	Culcairn Shire	RAM
Berrigan Shire	RAL	Deniliquin	URS
Bingara Shire	RAS	Dubbo City	URM
Blacktown City	UDV	Dungog Shire	RAL
Bland Shire	RAL	Eurobodalla Shire	URM
Blayney Shire	RAL	Evans Shire	RAL
Blue Mountains City	UFL	Fairfield City	UDV
Bogan Shire	RAM	Forbes Shire	RAV
Bombala	RAM	Gilgandra Shire	RAM
Boorowa	RAM	Glen Innes Municipal	URS
Botany Bay City	UDM	Gloucester Shire	RAM
Bourke Shire	RAM	Gosford City	UFV
Brewarrina Shire	RAM	Goulburn City	URS
Broken Hill City	URS	Grafton City	URS
Burwood	UDM	Great Lakes	URM
Byron Shire	URS	Greater Taree City	URM
Cabonne	RAV	Griffith City	URS
Camden	UFM	Gundagai Shire	RAM
Campbelltown City	UFV	Gunnedah Shire	RAV
Canada Bay	UDM	Gunning Shire	RAM
Canterbury City	UDV	Guyra Shire	RAM
Carrathool Shire	RAM	Harden Shire	RAM
Central Darling Shire	RTM	Hastings	URM
Cessnock City	URM	Hawkesbury City	UFM
Cobar Shire	RTL	Hay Shire	RAM

Council name	Category	Council name	Category
Holbrook Shire	RAM	Narrabri Shire	RAV
Holroyd City	UDL	Narrandera Shire	RAL
Hornsby Shire	UFV	Narromine Shire	RAL
Hume Shire	RAL	Newcastle City	URV
Hunters Hill Municipal	UDS	North Sydney	UDM
Hurstville City	UDL	Nundle Shire	RAS
Inverell Shire	RAV	Oberon	RAM
Jerilderie Shire	RAS	Orange City	URM
Junee Shire	RAL	Parkes Shire	RAV
Kempsey Shire	URS	Parramatta City	UDV
Kiama Municipal	URS	Parry Shire	RAV
Kogarah Municipal	UDM	Penrith City	UFV
Ku-ring-gai	UDL	Pittwater	UDM
Kyogle	RAL	Port Stephens	URM
Lachlan Shire	RAL	Pristine Waters	RAV
Lake Macquarie City	URV	Queanbeyan City	URS
Lane Cove Municipal	UDM	Quirindi Shire	RAM
Leeton Shire	RAV	Randwick City	UDV
Leichhardt Municipal	UDM	Richmond Valley	URS
Lismore City	URM	Rockdale City	UDL
Lithgow City	URS	Ryde City	UDL
Liverpool City	UFV	Rylstone Shire	RAM
Lockhart Shire	RAM	Scone Shire	RAL
Lord Howe Island (Bd)	RTX	Severn Shire	RAM
Maclean Shire	RAV	Shellharbour City	URM
Maitland City	URM	Shoalhaven City	URL
Manilla Shire	RAM	Silverton Village	RTX
Manly	UDM	Singleton Shire	URS
Marrickville	UDL	Snowy River Shire	RAL
Merriwa Shire	RAM	South Sydney City	UDL
Moree Plains Shire	RAV	Strathfield Municipal	UDS
Mosman Municipal	UDS	Sutherland Shire	UDV
Mudgee Shire	RAV	Sydney City	UCC
Mulwaree Shire	RAL	Tallaganda Shire	RAM
Murray Shire	RAL	Tamworth City	URM
Murrumbidgee Shire	RAM	Temora Shire	RAL
Murrurundi Shire	RAM	Tenterfield Shire	RAL
Muswellbrook Shire	RAV	Tibooburra Village	RTX
Nambucca Shire	RAV	Tumbarumba Shire	RAM

Council name	Category	Council name	Category
Tumut Shire	RAV	Casey (C)	UFV
Tweed Shire	URL	Central Goldfields (S)	RAV
Uralla Shire	RAL	Colac-Otway (S)	URS
Urana Shire	RAS	Corangamite (S)	RAV
Wagga Wagga City	URM	Darebin (C)	UDV
Wakool Shire	RAM	Delatite (S)	URS
Walcha	RAM	Docklands Authority	UDS
Walgett Shire	RAL	East Gippsland (S)	URM
Warren Shire	RAM	Frankston (C)	UDL
Warringah	UDV	Gannawarra (S)	RAV
Waverley	UDM	Glen Eira (C)	UDV
Weddin Shire	RAM	Glenelg (S)	URS
Wellington	RAL	Golden Plains (S)	RAV
Wentworth Shire	RAL	Greater Bendigo (C)	URL
Willoughby City	UDM	Greater Dandenong (C)	UDV
Windouran Shire	RAS	Greater Geelong (C)	URV
Wingecarribee Shire	URM	Greater Shepparton (C)	URM
Wollondilly Shire	UFM	Hepburn (S)	RAV
Wollongong City	URV	Hindmarsh (S)	RAL
Woollahra Municipal	UDM	Hobson's Bay (C)	UDL
Wyong Shire	UFV	Horsham (RC)	URS
Yallaroi Shire	RAM	Hume (C)	UFV
Yarrowlumla Shire	RAL	Indigo (S)	RAV
Yass Shire	RAL	Kingston (C)	UDV
Young Shire	RAV	Knox (C)	UDV
Victoria		Latrobe (C)	URL
Alpine (S)	RAV	Loddon (S)	RAL
Ararat (RC)	URS	Macedon Ranges (S)	URM
Ballarat (C)	URL	Manningham (C)	UDL
Banyule (C)	UDL	Maribyrnong (C)	UDM
Bass Coast (S)	UFS	Maroondah (C)	UDL
Baw Baw (S)	URM	Melbourne (C)	UCC
Bayside (C)	UDL	Melton (S)	UFM
Boroondara (C)	UDV	Mildura (RC)	URM
Brimbank (C)	UDV	Mitchell (S)	URS
Buloke (S)	RAL	Moira (S)	URS
Campaspe (C)	URM	Monash (C)	UDV
Cardinia (S)	UFM	Moonee Valley (C)	UDL
		Moorabool (S)	URS

Council name	Category	Council name	Category
Moreland (C)	UDV	Bauhinia	RAM
Mornington Peninsula (S)	UFL	Beaudesert	UFM
Mount Alexander (S)	RAV	Belyando	RAV
Moyne (S)	RAV	Bendemere	RAS
Murrindindi (S)	RAV	Biggenden	RAS
Nillumbik (S)	UFM	Blackall	RTM
Northern Grampians (S)	RAV	Boigu Island	URS
Port Phillip (C)	UDL	Boonah	RAL
Pyrenees (S)	RAL	Booringa	RAS
Queenscliffe (B)	URS	Boulia	RTS
South Gippsland (S)	URS	Bowen	RAV
Southern Grampians (S)	RAV	Brisbane	UCC
Stonnington (C)	UDL	Broadsound	RAL
Strathbogie (S)	RAL	Bulloo	RTS
Surf Coast (S)	RSG	Bundaberg	URM
Swan Hill (RC)	URS	Bungil	RAS
Towong (S)	RAL	Burdekin	RAV
Wangaratta (RC)	URS	Burke	RTS
Warrnambool (C)	URS	Burnett	UFS
Wellington (S)	URM	Caboolture	UFL
West Wimmera (S)	RAL	Cairns	URV
Whitehorse (C)	UDV	Calliope	RAV
Whittlesea (C)	UFL	Caloundra	URL
Wodonga (RC)	URM	Cambooya	RAM
Wyndham (C)	UFL	Cardwell	RAL
Yarra (C)	UDM	Carpentaria	RTM
Yarra Ranges (S)	UFV	Charters Towers	URS
Yarriambiack (S)	RAL	Cherbourg	URS
		Chinchilla	RAL
Queensland		Clifton	RAM
Aramac	RTS	Cloncurry	RTL
Atherton	RAV	Coconut Island	URS
Aurukun	URS	Cook	RTL
Badu Island	URS	Cooloola	URM
Balonne	RAM	Crow's Nest	RSG
Bamaga	URS	Croydon	RTX
Banana	RAV	Dalby	URS
Barcaldine	RTM	Dalrymple	RAM
Barcoo	RTS	Darnley Island	URS

Council name	Category	Council name	Category
Dauan Island	URS	Lockhart River	URS
Diamantina	RTX	Logan	UDV
Doomadgee	URS	Longreach	RTL
Douglas	RSG	Mabuiag Island	URS
Duaringa	RAL	Mackay	URL
Eacham	RAL	Mapoon Aboriginal Council	URS
Eidsvold	RAS	Mareeba	RAV
Emerald	RAV	Maroochy	URV
Esk	RAV	Maryborough	URS
Etheridge	RTS	McKinlay	RTM
Fitzroy	RAL	Milingimbi	RTS
Flinders	RTM	Milyakburra	RTX
Gatton	RAV	Millmerran	RAM
Gayndah	RAM	Minjilang	RTX
Gladstone	URS	Mirani	RAL
Gold Coast	URV	Miriam Vale	RAM
Goondiwindi	URS	Monto	RAM
Hammond Island	URS	Mornington	URS
Herberton	RAL	Mount Isa	URS
Hervey Bay	URM	Mount Morgan	RAM
Hinchinbrook	RAV	Mundubbera	RAM
Hopevale	URS	Murgon	RAM
Ilfracombe	RTX	Murilla	RAM
Inglewood	RAM	Murray Island	URS
Injinoo (Cowl Ck)	URS	Murweh	RTL
Ipswich	UFV	Nanango	RAL
Isis	RAL	Nebo	RAM
Isisford	RTX	New Mapoon	URS
Jericho	RTS	Noosa	UFM
Johnstone	UFS	Palm Island	URS
Jondaryan	RAV	Paroo	RTM
Kilcoy	RAM	Peak Downs	RAM
Kilkivan	RAM	Perry	RAS
Kingaroy	RAV	Pine Rivers	UFL
Kolan	RAM	Pittsworth	RAM
Kowanyama	URS	Porpuraaw	URS
Kubin Island	URS	Quilpie	RTM
Laidley	RSG	Redcliffe	UDM
Livingstone	UFS	Redland	UFL

Council name	Category	Council name	Category
Richmond	RTM	Augusta-Margaret River (S)	RSG
Rockhampton	URM	Bassendean (T)	UDS
Roma	URS	Bayswater (C)	UDM
Rosalie	RAL	Belmont (C)	UDS
Saibai Island	URS	Beverley (S)	RAS
Sarina	RAV	Boddington (S)	RAS
Seisia Island	URS	Boyup Brook (S)	RAS
St Paul's Island	URS	Bridgetown-Greenbushes (S)	RAM
Stanthorpe	RAL	Brookton (S)	RAS
Stephen Island	URS	Broome (S)	RTL
Sue Island (Warraber)	URS	Broomehill (S)	RAS
Tambo	RTS	Bruce Rock (S)	RAS
Tara	RAM	Bunbury (C)	URS
Taroom	RAM	Busselton (S)	RSG
Thuringowa	UFM	Cambridge (T)	UDS
Tiaro	RAM	Canning (C)	UDL
Toowoomba	URL	Capel (S)	RSG
Torres	URS	Carnamah (S)	RAS
Townsville	URL	Carnarvon (S)	RAL
Umagico	URS	Chapman Valley (S)	RAS
Waggamba	RAM	Chittering (S)	RAM
Wambo	RAL	Claremont (T)	UDS
Warroo	RAS	Cockburn (C)	UFM
Warwick	URS	Collie (S)	RAL
Weipa South	URS	Coolgardie (S)	URS
Whitsunday	RSG	Coorow (S)	RAS
Winton	RTM	Corrigin (S)	RAS
Wondai	RAM	Cottesloe (T)	UDS
Woocoo	RAM	Cranbrook (S)	RAS
Woorabinda	URS	Cuballing (S)	RAS
Wujal Wujal	URS	Cue (S)	RTX
Yam Island	URS	Cunderdin (S)	RAS
Yarrabah	URS	Dalwallinu (S)	RAS
Yorke Island	URS	Dandaragan (S)	RAM
Western Australia		Dardanup (S)	RSG
Albany (C)	URS	Denmark (S)	RAM
Armadale (C)	UFM	Derby-West Kimberley (S)	RTL
Ashburton (S)	RTL	Donnybrook-Balingup (S)	RAM
		Dowerin (S)	RAS

Council name	Category	Council name	Category
Dumbleyung (S)	RAS	Morawa (S)	RAS
Dundas (S)	RTM	Mosman Park (T)	UDS
East Fremantle (T)	UDS	Mount Magnet (S)	RTS
East Pilbara (S)	RTL	Mount Marshall (S)	RAS
Esperance (S)	RAV	Mukinbudin (S)	RAS
Exmouth (S)	RTM	Mullewa (S)	RAS
Fremantle (C)	UDS	Mundaring (S)	UFM
Geraldton (C)	URS	Murchison (S)	RTX
Gingin (S)	RAM	Murray (S)	RSG
Gnowangerup (S)	RAS	Nannup (S)	RAS
Goomalling (S)	RAS	Narembeen (S)	RAS
Gosnells (C)	UFL	Narrogin (S)	RAS
Greenough (S)	RSG	Narrogin (T)	URS
Halls Creek (S)	RTL	Nedlands (C)	UDS
Harvey (S)	RSG	Ngaanyatjarraku (S)	RTM
Irwin (S)	RAM	Northam (S)	RAM
Jerramungup (S)	RAS	Northam (T)	URS
Joondalup (C)	UFV	Northampton (S)	RAM
Kalamunda (S)	UFM	Nungarin (S)	RAS
Kalgoorlie/Boulder (C)	URM	Peppermint Grove (S)	UDS
Katanning (S)	RAM	Perenjori (S)	RAS
Kellerberrin (S)	RAS	Perth (C)	UCC
Kent (S)	RAS	Pingelly (S)	RAS
Kojonup (S)	RAM	Plantagenet (S)	RAM
Kondinin (S)	RAS	Port Hedland (T)	URS
Koorda (S)	RAS	Quairading (S)	RAS
Kulin (S)	RAS	Ravensthorpe (S)	RAS
Kwinana (T)	UFS	Rockingham (C)	UFM
Lake Grace (S)	RAS	Roebourne (S)	URS
Laverton (S)	RTM	Sandstone (S)	RTX
Leonora (S)	RTM	Serpentine-Jarrahdale (S)	RSG
Mandurah (C)	URM	Shark Bay (S)	RTS
Manjimup (S)	RAV	South Perth (C)	UDM
Meekatharra (S)	RTM	Stirling (C)	UDV
Melville (C)	UDL	Subiaco (C)	UDS
Menzies (S)	RTX	Swan (S)	UFL
Merredin (S)	RAM	Tambellup (S)	RAS
Mingenew (S)	RAS	Tammin (S)	RAS
Moora (S)	RAM	Three Springs (S)	RAS

Council name	Category	Council name	Category
Toodyay (S)	RAM	Copper Coast (DC)	RAV
Trayning (S)	RAS	Elliston (DC)	RAS
Upper Gascoyne (S)	RTX	Flinders Ranges	RAS
Victoria Park (T)	UDS	Franklin Harbour (DC)	RAS
Victoria Plains (S)	RAS	Gawler (M)	UFS
Vincent (T)	UDS	Gerard	RTX
Wagin (S)	RAS	Goyder (RG)	RAM
Wandering (S)	RAS	Grant (DC)	RAL
Wanneroo (C)	UFL	Holdfast Bay (C)	UDM
Waroon (S)	RAM	Kangaroo Island	RAM
West Arthur (S)	RAS	Karoonda-East Murray (DC)	RAS
Westonia (S)	RAS	Kimba (DC)	RAS
Wickepin (S)	RAS	Kingston (DC)	RAM
Williams (S)	RAS	Le Hunte (DC)	RAS
Wiluna (S)	RTM	Light RC	RAV
Wongan-Ballidu (S)	RAS	Lower Eyre Peninsula (DC)	RAM
Woodanilling (S)	RAS	Loxton Waikerie (DC)	RAV
Wyalkatchem (S)	RAS	Mallala (DC)	RAL
Wyndham-East Kimberley (S)	RTL	Maralinga	RTX
Yalgoo (S)	RTX	Marion (C)	UDL
Yilgarn (S)	RAM	Mid Murray	RAL
York (S)	RAM	Mitcham (C)	UDM
South Australia		Mount Barker (DC)	URS
Adelaide (C)	UCC	Mount Gambier (C)	URS
Adelaide Hills	UFM	Mount Remarkable (DC)	RAM
Alexandrina	RAV	Murray Bridge (DC)	RAV
Anangu Pitjantjatjara	RTM	Naracoorte Lucindale	RAL
Barossa	RAV	Nepabunna	RTX
Barunga West (DC)	RAM	Northern Areas	RAL
Berri and Barmera	RAV	Norwood Payneham and St Peters (C)	UDM
Burnside (C)	UDM	Onkaparinga (DC)	UFV
Campbelltown (C)	UDM	Orroroo/Carrieton (DC)	RAS
Ceduna (DC)	RAM	Outback Areas Community Developm't Trust	RTL
Charles Sturt (C)	UDL	Peterborough (DC)	RAM
Clare and Gilbert Valleys	RAL	Playford (C)	UFM
Cleve (DC)	RAS	Port Adelaide Enfield	UDL
Cooper Pedy (DC)	URS	Port Augusta (C)	URS
Coorong (DC)	RAL	Port Lincoln (C)	URS

Council name	Category	Council name	Category
Port Pirie (C&DC)	RAV	Kentish (M)	RAL
Prospect (C)	UDS	King Island (M)	RAS
Renmark Paringa (DC)	RAL	Kingborough (M)	URS
Robe (DC)	RAS	Latrobe (M)	RAL
Roxby Downs (M)	URS	Launceston (C)	URM
Salisbury (C)	UDL	Meander Valley (M)	RAV
Southern Mallee (DC)	RAM	Northern Midlands (M)	RAV
Streaky Bay (DC)	RAS	Sorell (M)	RAV
Tatiara (DC)	RAL	Southern Midlands (M)	RAL
Tea Tree Gully (C)	UDL	Tasman (M)	RAM
Tumby Bay (DC)	RAM	Waratah - Wynyard (M)	RAV
Unley (C)	UDM	West Coast (M)	RAL
Victor Harbor	RAV	West Tamar (M)	UFS
Wakefield (RG)	RAL		
Walkerville (M)	UDS	Northern Territory	
Wattle Range	RAV	Aherrenge (Arunga)	RTX
West Torrens Thebarton (C)	UDM	Ali Curung	RTS
Whyalla (C)	URS	Alice Springs (T)	URS
Yalata	RTX	Alpurrurulam	RTS
Yankalilla (DC)	RAM	Amoonguna	RTX
Yorke Peninsula (DC)	RAV	Angurugu	RTS
		Anmatjere	RTM
Tasmania		Aputula	RTX
Break O' day (M)	RAL	Areyonga	RTX
Brighton (M)	URS	Arltarlpilta	RTX
Burnie (C)	URS	Barunga Manyallaluk	RTS
Central Coast (M)	URS	Belyuen	RTX
Central Highlands (M)	RAM	Binjari	RTX
Circular Head (M)	RAL	Borrooloola	RTS
Clarence (C)	URM	Coomalie (CGC)	RTM
Derwent Valley (M)	RAL	Cox Peninsula	RTX
Devonport (C)	URS	Daguragu	RTS
Dorset (M)	RAL	Darwin (C)	UCC
Flinders (M)	RAS	Elliott District	RTS
George Town (M)	RAL	Galiwinku	RTM
Glamorgan - Spring Bay (M)	RAM	Gapuwiyak	RTS
Glenorchy (C)	URM	Gulin Gulin and Weemol	RTX
Hobart (C)	UCC	Ikuntji	RTX
Huon Valley (M)	RAV	Imanpa	RTX

Council name	Category	Council name	Category
Jabiru (T)	URS	Papunya	RTX
Jilkminggan	RTX	Peppimenarti	RTX
Kaltukatjara	RTX	Pine Creek	RTS
Kardu Numida	RTM	Pirlangimpi	RTX
Katherine (T)	URS	Ramingining	RTS
Kunbarllanjnja	RTS	Tapatijatjaka	RTX
Lajamanu	RTM	Tennant Creek (T)	URS
Litchfield (S)	RAV	Tennant Creek Remote	RTX
Ltyentye Purte (Santa Teresa)	RTS	Timber Creek	RTX
Maningrida	RTM	Tiwi Island	RTM
Marngarr	RTX	Umbakumba	RTS
Mataranka	RTX	Urapuntja	RTS
Milikapiti	RTS	Walingeri-Ngumpinku	RTX
Milingimbi	RTS	Wallace Rockhole	RTX
Milyakburra	RTX	Walungurru	RTS
Minjilang	RTX	Warruwi	RTX
Nauiyu Nambiyu	RTS	Watiyawanu (Mt Liebig)	RTX
Nganmarriyanga (Palumpa)	RTX	Willowra	RTS
Nguiu	RTM	Wugularr	RTS
Ntaria	RTS	Yirrkala/Dhanbul	RTS
Numbulwar/Numburindi	RTS	Yuelamu	RTX
Nyirripi	RTX	Yuendumu	RTM
Palmerston (T)	UFS	Yugal Mangi	RTM

Table F.4: Changes in ACLG category for 2000–01: reasons for change

Council name	Classification	Reason for change
New South Wales		
Armidale Dumaresq	URS	1
Bathurst	URM	2
Canada Bay	UDM	1
Bingara	RAS	2
Burwood	UDM	2
Pristine Waters	RAV	1
Richmond Valley	URS	1
Tweed	URL	2
Queensland		
Cairns	URV	2
Maroochy	URV	2
Sarina	RAV	2
Jericho	RTS	2
Western Australia		
Cue	RTX	2
Northern Territory		
Tiwi Island	RTM	1

Key: Reasons for change

1. Amalgamations and/or boundary changes
2. Changes due to population movements
3. Declared council

APPENDIX G

PROGRESS IN DEVELOPING PERFORMANCE INDICATORS FOR LOCAL GOVERNMENT

The States have provided the following updates on their progress towards developing performance indicators for local government:

New South Wales

New South Wales produced its 1999–2000 Comparative Performance Information publication in 2000–01. For a number of years the Department has been collecting information from councils in addition to the material needed for the Comparative Performance publication. The other data collections have been used to calculate financial assistance grants and to analyse councils' financial health. The data for the comparative performance publication was emailed to councils for confirmation.

Ten new indicators which focus on accountability to the local community have been included in the 1999–2000 publication. The Department has expanded rate income information. The Average Rate per Assessment series now includes data on farmland and business rates. An average rate (total ordinary rates) per capita has also been included. Sources of total expenditure has been included to compliment the sources of total revenue that has been reported on since 1993. Both sets are also presented as per capita figures.

A capital expenditure ratio has also been developed to determine councils' ability to match capital assets to the consumption (depreciation) of assets.

Due to a number of councils failing to meet statutory reporting requirements, the Minister for Local Government has requested details of councils' ability to report in a timely manner. Consequently, the Department has included details of councils' lodgement of their Annual, Financial, and State of the Environment reports in the Comparative Performance Information publication.

The 2000–01 publication provides time series data for each indicator. New South Wales will continue to review and develop appropriate performance measures.

Victoria

Victoria is improving the efficiency and effectiveness of local government in delivering services by developing a performance culture, implementing best value and improving asset management practices. Victoria is continuing to develop a performance culture by encouraging councils to use and publish indicators in public

documents such as the annual report, thus driving the accountability for performance to the local community and constituents.

Ten Victorian local government indicators were developed in consultation with the sector to replace the 29 annual plan indicators. Each council will publish details, in the report of operations section of their annual reports for 2000–01, on seven of these indicators. The remaining three Victorian local government indicators are still being developed. Review and refinement of the 47 comparative indicators is progressing.

The constituent satisfaction survey was completed for the fourth consecutive year with 76 councils participating on a voluntary basis in a survey that was essentially the same as for the three previous years. The survey showed that by 2001 across Victoria the percentage of respondents rating councils as 'excellent' and 'good' had increased 10 per cent over the percentage in 1998. Since 2000, community satisfaction with overall performance of councils across Victoria has increased marginally from 47 per cent of respondents rating performance as 'excellent' and 'good' to 48 per cent. Services that most impacted on satisfaction were town planning policy and approvals and economic development. Councils have generally widely publicised their performance results.

Queensland

The principal aim of the Queensland Department of Local Government and Planning's performance management programme is to produce an annual publication of comparative performance information. This is to help local governments evaluate their performance through comparisons with each other, as well as help them establish benchmarking and performance measurement systems.

Under this programme, the Department released its second comprehensive comparative report in September 2000, titled *1998–99 Queensland Local Government Comparative Information*. This was followed by the release of the 1999–2000 edition in June 2001. This edition included year-on-year data comparisons (from 1997–98) to provide a more comprehensive picture of how local government performance has improved over time.

The comparative report provides a suite of efficiency, effectiveness and quality of service indicators for key local government functions including financial operations, road maintenance, water, sewerage, waste management, library services and parks and gardens as well as comparative rating and financial information. In addition, contextual information, such as population, population growth, population density, climate, terrain and soil types is provided for each local government to provide a context for the performance information collected and to help compare councils across Queensland.

The published performance indicators are reviewed annually to ensure their appropriateness and usefulness for local government. This ongoing review has resulted in some minor changes being made to a small number of indicators and their associated data definitions, in both the 1998–99 and 1999–00 Reports.

To further help councils understand the fundamentals of comparative performance measurement, the Department facilitated several performance management training seminars and benchmarking workshops, during 2000–01, with a number of local governments who requested the service.

With the system for publishing the comparative report now well established and accepted by Queensland local governments, the Department aims to expand its performance management programme in 2001–02 to include initiatives which focus on promotion of best practice

initiatives and fostering of a continuous improvement culture within councils.

Such initiatives may include developing case studies that demonstrate current best practice in local government performance management and benchmarking as well as establishing networks to encourage exchange of information and best practice ideas.

Western Australia

Since 1996, the Western Australian Local Government Act has required local governments to identify principal activities, their objectives and the performance indicators to be used to measure the achievement of those objectives.

During 1999–2000 a Commonwealth grant was obtained from the Local Government Development Programme, to help determine service delivery objectives for local government in Western Australia and measure the effectiveness and efficiency with which those objectives are achieved. The initial objective proved impossible due to the lack of identifiable, common objectives and operational environments. Those indicators that had been developed by local governments tended toward efficiency rather than effectiveness, with infinite variety and rarely with any identifiable relationship to major strategic objectives. Differences in operational environments also detracted from the comparability of such indicators.

It was clear that local governments were reluctant to voluntarily cooperate in a performance measurement process that was not closely linked to strategic planning and performance management. It had to be of direct benefit to councillors and senior managers and assist them to better meet community needs and expectations.

The project's research of world's best practice indicated that the nexus between the functional objectives and the performance achievements was essential if the indicators were to be true measures

of performance effectiveness rather than merely the measurement of inputs and outputs. Thus, it became apparent that the primary focus was a necessity to help local governments identify objectives that were capable of measurement for both short- and long-term activities or projects. Once such principles were in general practice, secondary or subsequent phases could focus upon identifying the types of comparable objectives and indicators that were being developed in response.

The part of the project that focused upon determination and measurement of objectives was published in the form of the *Performance Measurement Guidelines for Western Australian Local Governments* in February 2001. All Western Australian local governments and Indian Ocean Territories received two copies each.

The Western Australian Department of Local Government is working on developing the comparative indicators project aiming initially at improving the quality of data being received for processing. The comparative data for the six-year period from 1994–95 to 1999–2000 was set to be published in time series format during 2001–02.

The Western Australian Local Government Association is committed to continuous improvement of processes and services within local government. It has contributed to development of key performance indicators through its Best Practice Training Programme on Comparative Indexing for Performance Measurement. As part of the training programme, key performance indicators have been established for road maintenance, waste management and library services.

South Australia

In South Australia, work on development of performance measures continued to be led by the Local Government Association of South Australia (LGASA) through its Comparative Performance Measurement project. It was agreed, at the outset

of the project, that leadership by local government in this area is the most likely strategy to achieve ownership and commitment of the process and its outcomes by councils. The Office of Local Government is represented on the project's steering committee. Early work on the project confirmed that, generally speaking, local government in this State is supportive of a sector-wide comparative performance measurement system.

The four key outcomes of the project are:

- development of performance measures that can be used for comparative purposes;
- collection of performance information on a uniform basis;
- a measurement system that will enable councils to compare their performance with others; and ultimately,
- implementation of benchmarking between councils.

A partnership approach was adopted whereby central leadership and support is being provided through the project, whilst participating councils make a commitment in terms of both direct effort and resources. A number of councils volunteered to be pilot sites for development of corporate-level comparative indicators in the areas of governance, financial and asset management, community satisfaction and quality of life, which are considered to be the core responsibilities of local government in this State.

Data and other information needed for the comparative measures will be collected by the LGASA from a range of sources including the Local Government Grants Commission, the Australian Bureau of Statistics, councils and a community survey in each council area. The community survey is being designed to provide vital contextual information within which performance measures can be interpreted.

Tasmania

The aim of the Tasmanian Measuring Council Performance Project is to implement a comprehensive framework of key performance indicators (KPIs) for Tasmanian local government.

The KPIs will provide an industry-wide framework for measuring and comparing the performance of councils. The KPI system will:

- enhance performance measurement by councils;
- enable benchmarking and identification of best practice;
- improve accountability to the community; and
- establish performance trends over time.

The framework will provide councils, individually and collectively, with:

- practical tools to measure and compare results against agreed performance outcomes and best practice standards;
- targets and strategies for councils to continuously innovate and improve the performance of their functions, including efficient and effective service provision and operations; and
- synergies to expand councils' capacities to produce better economic, social and environmental outcomes for residents and the community.

The Commonwealth Government provided a grant of \$55,000 under the Local Government Incentive Programme to help implement the performance measurement system. A project steering committee (the KPI Committee) comprising State and local government officers and the Chairperson of the Local Government Board was established to oversee introduction of the performance measurement system for Tasmanian councils.

The KPI Committee refined the performance indicators developed by the KPI Steering Committee in 1999. Council performance will be measured by 50 KPIs in the 1999–2000 report. All 29 Tasmanian councils provided their data on a voluntary basis. The project has been, and will continue to be, a joint effort of both State and local government. There is strong support for the measurement system from local government.

The State Government, through its initiative funding, has allocated sufficient resources to ensure successful implementation and ongoing operation of the KPI framework. The data collection form developed for the project seeks to include not only the data for the KPI project but also existing data from the Australian Bureau of Statistics, the State Grants Commission and the Department of Treasury and Finance.

Customer satisfaction with council services is an important indicator. To satisfy this need the Committee is developing a community opinion survey that can be used by all councils and adapted for their particular requirements. The first report, *Measuring Council Performance In Tasmania 1999–2000*, was due to be released on 1 October 2001. The report for 2000–01 is due for release by 31 December 2001.

Northern Territory

The aim of the Northern Territory performance indicators programme is to introduce performance management tools to all councils in the Territory in such a way as to ensure that they become an integrated and valuable part of community management practices. In support of this aim, the Department of Local Government has linked the development and implementation of performance indicators for local governing bodies to the introduction of its best practice programme.

While reporting of performance information is well within the capacity of the municipal and

larger councils, it is recognised that the capacity to provide this information is more difficult for the smaller and more remote councils. Consequently, the performance indicators programme consists of two streams.

The municipal and larger councils, which comprise the first stream, collected a full set of quantitative performance information on the three identified core services – roads, waste management and community management. The second stream, consisting of the smaller and more remote councils, is less advanced.

During 1999–2000, 42 councils in the Northern Territory were invited to participate in the local government performance programme and returned comparative data. This year all councils were invited to participate. However, 30 councils failed to return their surveys. Of the 30 councils, most have identified a number of reasons for not providing the required data.

The third annual report is currently being prepared for publication. Performance indicators highlight differences between councils for specific activities but do not explain why these differences may have occurred. For this reason, contextual and descriptive information for each participating council was collected and includes explanations of the circumstances and results provided by the councils themselves.

The report will not provide benchmarks against which to assess 'satisfactory' performance. Instead, contextual information is being provided that will help councils identify similar councils against which their performance may be assessed.

Australian Capital Territory

The Australian Capital Territory reports the following measures taken in the Territory in 2000–01 to improve the efficiency and effectiveness in delivering local government-type services to the Territory community. This includes

progress in developing comparable performance measures.

ACT Waste Management

Measures undertaken by ACT NOWaste include:

- implementation of an improved reporting system for missed waste and recyclables collection services; and
- completion of a costing study which identified the full cost of waste disposal in the Territory.

Canberra Urban Parks and Places

In 2000–01, Canberra Urban Parks and Places, as the purchaser of park and public place maintenance services, continued to focus on improving the efficiency and effectiveness of delivery of services by:

- undertaking the annual customer satisfaction survey from which service improvement programmes are designed;
- initiating a benchmarking project with a number of comparable municipal authorities in New South Wales, Victoria, and Queensland – initial results are expected in September 2001; and
- continuing reviews of contract management procedures.

ACT Roads

The ACT Roads unit within the Department of Urban Services has been undertaking benchmarking analysis since 1999. It comprises two components: Performance Benchmarking and Process Benchmarking.

Performance benchmarking undertaken in 1999 compared the cost efficiency of the management functions of various asset categories (local roads, arterial roads, bridges, traffic lights, signs, line marking, community paths, streetlights and stormwater assets) by establishing over 50 performance indicators. The benchmarking

partners included two State road authorities and two Local Government Authorities that are of comparable Australian Classification of Local Government category.

Additional analysis was also undertaken on the more significant cost items, such as arterial and local road maintenance. Unit rates for arterial roads were compared with five regions of a comparable State road agency. Similarly, unit rates for local road maintenance were compared with 23 Local Government Authorities.

In 2000, the performance indicators were aggregated to concentrate on fewer indicators in order to illustrate the cost efficiencies of asset creation and asset maintenance activities. This project included one State Government partner and two comparable Local Government Authorities. The results confirmed the previous findings with a recommendation to undertake further detailed analysis on asset maintenance funding levels.

Process benchmarking analysis was undertaken with the same partners in order to identify continuous improvement opportunities for specific areas. The key areas considered for the analysis were Capital Works Procurement and Contract Management.

APPENDIX H

PROGRESS IN ACHIEVING
MICROECONOMIC REFORM

Effective and efficient local government

Effective and efficient local government is important because local government delivers key human, economic and regulatory services. There are several ways that local government can pursue efficiency and effectiveness other than by developing performance indicators. They include:

- working towards benchmarking;
- identifying leading practice and innovation;
- implementing initiatives, such as Victoria's Best Value;
- sharing resources; and
- effective strategic planning and reviewing of legislation to reduce the red tape burden for all.

This section of the report incorporates a summary of reports from most States on activities in 2000–01 towards meeting these aims.

New South Wales

As New South Wales has concentrated on developing performance indicators, their input has been incorporated into that section of the report rather than here.

Victoria

Legislative review

In April 2001, the Local Government Regulations 2001 were completed following a review of the Local Government Regulations 1990. The main objective of this review was to provide accountability mechanisms for councils, ensuring public awareness of matters affecting their municipality, balanced against councils' capacity to function efficiently.

A process to update the *Local Government Act 1989* then began in November 2000. The purpose of this update is to keep the Act up-to-date to reflect contemporary thinking about the role of local government, its accountability to its constituents and its relationship with the State. The objective being to prepare logically structured, realistically brief and clear legislation that reflects the Government's partnership approach to local government and corrects anomalies in the existing Act.

Infrastructure renewal

Following release of the Infrastructure Study, *Facing the Renewal Challenge*, in January 2000, a reference group has been established comprising representatives from the local government peak

bodies, VicRoads, Department of Treasury and Finance, the Office of the Auditor-General and the Department of Infrastructure. The reference group's required outcomes are to:

- improve the asset management culture throughout local government;
- devise sound asset management practices in the local government sector; and
- build the capacity to demonstrate the improvements made in asset management in the sector.

Implementation of best value

Introduction of the Best Value Principles, in December 1999, was followed by the release, in December 2000, of a best value framework or guide that was developed in consultation with councils by the Best Value Victoria Taskforce. The guide provides the sector with broad descriptions of the principles.

Best Value Principles have replaced Compulsory Competitive Tendering and represent a new approach for local government. They remove many of the complex, costly and overly bureaucratic procedures associated with Compulsory Competitive Tendering while ensuring that councils remain accountable for their expenditure and obtain value for money in the delivery of council services.

In December 2000, the Minister for Local Government also released the Best Value Code of Reporting and the Programme Code. The decision to apply the Codes recognised the need for some consistency across the sector and they were prepared with the capabilities of both large and small councils in mind.

All councils were required, by 31 December 2000, to submit to the Minister a copy of their Best Value Implementation Programmes. These programmes illustrated the service name and the commencement date of the service review. A compilation of these implementation

programmes is available on the Department of Infrastructure's website. An analysis of the programmes indicates that, by 30 June 2001, over 27 per cent of service reviews would have commenced, and by 30 June 2002, 55 per cent of service reviews would have commenced. Best Value Principles must be applied to all council services by December 2005.

Best Value Victoria gives councils the flexibility to develop and deliver services that are relevant and responsive to community needs. The principles of Best Value Victoria will become increasingly important as the tools that will drive improved economic and social outcomes within local communities.

The Reporting Code provides the sector with a consistent framework from which to report to the community. The Code is not about reporting to the State Government, rather, it is about reporting to the Victorian community so it can assess the benefits of Best Value as a tool for change. All councils' Best Value Annual Reports for 2000–01 are to be submitted to the Government by 30 September 2001.

Queensland

Business Management Assistance Programme

Under the *Local Government Act 1993*, the largest 18 councils in Queensland were required to consider some form of National Competition Policy reform for their significant business activities. The remaining 107 councils were encouraged to consider the reforms on the basis of good management.

The Queensland Competition Authority assesses reform progress and recommends payments to local government from the \$141.5 million (unindexed) local government National Competition Policy Financial Incentive Package implementation pool.

Because the Local Government Association of Queensland believed that a significant number of local governments were missing out on bonus payment entitlements, it created the Business Management Assistance Programme, which is designed to help local government implement National Competition Policy reforms and other business and financial management reforms. Without this programme, Queensland councils might otherwise have missed out on between \$50 million and \$70 million of Financial Incentive Package payments.

The Local Government Association of Queensland aims to improve the capacity of Queensland councils and enhance their effectiveness in providing services to their communities through an improved understanding of financial management tools and information.

The timetable for the Financial Incentive Package was extended from 30 June 2002 to 30 June 2003 and the Local Government Association of Queensland secured up to \$600,000 from the Financial Incentive Package implementation pool to fund the Business Management Assistance Programme to provide a regional support strategy for local councils.

All local councils were invited to participate in briefings, attend regional technical workshops, receive guidelines and checklist material, and access technical assistance by telephone and email from regional consultants or mentors. The Local Government Association of Queensland believes the programme will benefit mainly the medium and smaller councils as the larger councils are generally well advanced and better resourced to complete any reforms.

Finance Reference Group

Councils and the Local Government Association of Queensland identified the appropriate framework for financial reporting for local government bodies in Queensland as an issue. As councils continue to implement competition

reforms and their businesses begin to operate in a more competitive environment, the Local Government Association believes it will be essential that councillors (as the Board of Management) and community members (as the shareholders) be presented with information that is both useful and informative. Effective management and resource allocation decision making can only be achieved if relevant and reliable information is presented in a timely manner.

In addition to requirements in Australian Accounting Standard 27, *Financial Reporting by Local Government*, Queensland councils prepare extra financial statements that many believe are onerous and of little value. However, little attention is given to preparing appropriate complimentary financial management reporting. This does not mean that councils are not focused on prudent financial management. The problem appears to be that there is no mechanism to allow this information to be prepared independently of public sector general purpose financial statements.

To help councils meet these different financial reporting requirements the Local Government Association of Queensland set up a Financial Reference Group.

Water reform

With the introduction of the new *Water Act 2000*, the Association has directed considerable effort towards implementing the requirements of the Act. The Act provides for:

- water use planning, management and allocation;
- a regulatory framework for water asset management, customer service standards and dam safety; and
- governance of water supply statutory authorities of the State Government.

The Local Government Association of Queensland has commissioned consultants

to examine the likely impacts on councils of new water allocation processes arising from the Act. The review will also look at how councils and ratepayers may be affected as a result of pricing policies accompanying the corporatisation of State Water Projects. The consultant will also examine the potential for substantial increases in bulk water charges associated with new contracts.

The review will be of particular interest to the 30 or more Queensland councils that source all or part of their bulk water supplies from SunWater, formerly State Water Projects. Case studies will be used to illustrate the likely effects of current policies upon councils and ratepayers. The final report is to provide background on issues and concerns raised by councils as well as providing a basis for the Association to develop responses to government on behalf of members.

The *Water Act 2000* provides for regulation of service provision, asset management plans, and customer service standards. Subject to the Queensland Government finalising implementation guidelines, the Local Government Association of Queensland plans to commence a series of council seminars in 2001–02 to promote understanding of, and provide advice on, implementing these regulations.

Western Australia

During 2000–01, a number of councils received funding, through the State Local Government Development Fund, for projects that focused on improving service delivery, particularly opportunities for the shared delivery of services. These included:

- an assessment of opportunities for structural reform in the Shires of Augusta Margaret River, Busselton and Nannup;
- the appointment of a shared specialist information technology coordinator for the seven councils in the Avon Region (that is,

Cunderdin, Dowerin, Goomalling, Northam Town, Northam Shire, Toodyay and York);

- an assessment of the opportunities for sharing ranger resources in the Shires of Murray, Waroona and Serpentine–Jarrahdale; and
- an assessment of alternative methods for completing annual construction and maintenance of road networks in the Shires of Chapman Valley, Mullewa and Northampton.

Review of legislation

In 2000, the Western Australian Department commenced a major review of the *Local Government Act 1995*. One of the main objectives of the review was to assess the impact of the Act on the efficiency and effectiveness of local government operations.

The Department has assessed around 450 issues since the review process began and it is proposed that approximately 100 separate amendments to the Act will be made in early 2002.

In addition to the review process, other sections of the Act were amended over the past year. These amendments are outlined below.

Proposed amendments arising from review of Act

Local public notice – The Act requires local government to give public notice about a number of its activities and functions. An amendment to change the definition of ‘local public notice’ will give councils the ability to choose the most effective method of communicating with members of its community.

Process for adopting local laws – The process prescribed in the Act in relation to adopting local laws is to be streamlined. It is proposed that the requirement for State-wide advertising once a local law has been made will be replaced with a requirement for local public advertising. In addition, the requirement to read out the name

and purpose of a proposed local law is to be removed.

Closure of thoroughfares – At present, the power for a local government to close or make modifications to a thoroughfare only lasts for four years. At the end of this period another order is required to be made. This process is very time consuming and costly to councils with no real benefit to the community. It is proposed to amend the Act so the period for closures is unlimited.

Disposing of land – When selling land by private treaty, the Act prevents the property from being sold unless a valuation has been obtained within the previous six months. This is particularly onerous for country councils which subdivide and sell land over a period of years. The Act is to be amended so that council is simply satisfied that the valuation is appropriate at the time of sale.

Leasing of local government property – Advertising requirements of the Act in relation to leasing commercial property will be amended to allow a council to advertise a business plan and a private treaty leasing arrangement simultaneously if details of the proposed lessee are known when the business plan is being prepared. The amendment will help make leasing property more efficient.

Adoption of budget – The Act is to be amended to allow councils to adopt their budget from 1 June each year. At present, councils can adopt their budget from 1 July which has the potential to impede some councils' efficient provision of services to their communities.

Strategic planning – The Act currently prescribes a process for councils to follow when developing and adopting a plan of forward activities. A number of amendments to the forward planning provisions are proposed. The proposed amendments are to provide greater flexibility for councils in terms of the type of plan to be prepared and the process used to develop it. It is expected that community involvement will

be enhanced and that the plan will better reflect the community's wishes.

'Attending' meetings using electronic means – A number of councils in Western Australia are geographically very large. Attending council meetings can be time consuming and costly both to councils and elected members. In addition, on occasions, natural phenomena, such as cyclones and floods, make it impossible for elected members to attend meetings. It is proposed to amend the legislation so members can participate in meetings using electronic means, such as teleconferencing or videoconferencing. On most occasions, members of the public will be permitted to observe meetings at the venues from which the councillors are linked.

Other amendments made during the year

Tendering process – A number of amendments to the regulations governing the local government tendering process were made during the year. These included:

- a requirement for councils to indicate, in the tender documents, whether it will be submitting an inhouse tender;
- the ability for a local government to receive tenders by fax or electronic means;
- a requirement for tenders to be evaluated against tender evaluation criteria; and
- the ability for a local government to delegate to other parties the right to open tenders under certain circumstances.

Other initiatives

The State Government has recently announced formation of a Working Group to look at State and local government relations. The Group will consider aspects such as:

- the shared vision of the State and local government;
- consultation mechanisms;

- partnership models;
- financial relationships; and
- decision-making processes.

The Group will comprise senior representatives from State and local government and will report to the Premier, the Minister for Local Government and Regional Development and the Executive of the Western Australian Local Government Association.

South Australia

State–Local Government Partnerships Programme

The State–Local Government Reform Programme involved the three closely inter-related and overlapping phases of:

- boundary restructuring,
- legislative reform, and
- clarification of roles and responsibilities between State and local government.

In the initial stages, voluntary amalgamations of councils under the Local Government Boundary Reform Board reduced the number of South Australian councils from 118 to 68 and the Local Government Act was rewritten. Rewriting the Act brought to the local government system a modern, comprehensively updated, set of constitutional and operational legislative provisions.

The programme is now in its third phase of functional and related financial reform. A State–Local Government Partnerships Programme has been established to advance the third phase. The programme aims to coordinate development of new and better ways for State and local government to work together to improve service delivery to the community.

A joint management framework has been established to operate the Partnerships Program. This involves a Partnerships Forum chaired by the

Minister for Local Government with members including the President of the Local Government Association of South Australia and a number of nominees of the State and local government sectors. This group provides a high-level forum for information sharing, discussion and cross-sector dialogue. The forum is supported by a steering group of senior State and local government officers which first met in September 2000.

The first stage of the Partnerships Programme has been a State–Local Government Scoping Study, jointly funded and supported by the State Government and the Local Government Association of South Australia.

The Scoping Study was designed to develop a shared understanding of the objectives of the Partnerships Programme and to identify practical opportunities and priorities for advancing the reform agenda. The Scoping Study has drawn together information previously gathered by both sectors and has identified a range of key issues for advancing good partnership arrangements. The study involved discussions with and input from a range of key stakeholders.

The final report of the Scoping Study, *Partnering for Effective Government – Competitive Advantage for South Australia*, was formally launched jointly by the Minister for Local Government and the President of the Local Government Association at the end of March 2001.

The report proposed six priority themes as a focus for further development and joint action. They were:

- State and local government strategic alignment
- Community asset management
- Community safety
- Human services
- Information management
- Natural resource management

The Partnerships Forum considered it important to separately identify the area of 'sustainable economic development' and this has been added to the six themes listed in the report. The Forum also resolved that the theme 'community asset management' should be expanded to be 'community infrastructure and asset management'.

Major priorities for advancing the Partnerships Programme at the end of 2000–01 were:

- further development of partnership projects 'on the ground' particularly at regional and local levels;
- promotion of good State–local government partnership models; and
- facilitating more effective strategic alignment and coordination of forward planning between State and local government.

While the Partnerships Programme is in its early stages, there are already several projects underway or soon to commence under the auspices of the Program. These include three projects that will be supported by grant funds from the Commonwealth Government provided specifically to the South Australian State–local government Partnerships Programme.

In early May 2001, the Federal Minister for Local Government and Regional Services announced a grant of \$100,000 from the Local Government Incentive Programme for the Partnerships Program. These funds will be directed to:

- development of a Roads Infrastructure Database (to be managed by the Local Roads Advisory Committee, in conjunction with the Office of Local Government);
- a project aimed to increase the participation of Aboriginal people in local government, with a particular focus on the electoral processes (to be managed by the Office of Local Government and the Local Government Association, with support of the Department of State Aboriginal Affairs); and

- a Regional Workforce Accommodation Solutions study (to be managed by the Office of Regional Development under the auspices of the Partnerships Program).

Operation of new local government legislation

The framework now provided by the South Australian *Local Government Act 1999* specifies the role of local government elected members, as members of the governing body of the council, in reviewing the effectiveness of councils' objectives and policies, and reviewing the efficiency and effectiveness of councils' service delivery, resource allocation, expenditure and activities.

All councils are required to develop and adopt Strategic Management Plans for management of their areas by 1 July 2002.

Such Strategic Management Plans must identify the council's objectives for the area and provide a clear indication of matters such as:

- the extent to which the council intends to coordinate with the State and Federal Governments in the planning and delivery of services in which there is a common interest;
- the measures (financial and non-financial) that are to be used to monitor and assess the performance of the council over the relevant period;
- the relationship between the council's objectives and activities, and its rating policy;
- the means by which its activities are to be carried out, with particular reference to its policies on contracts and tenders (which include policies on the contracting out of services and competitive tendering and the use of other measures to ensure that services are delivered cost-effectively); and
- issues associated with arranging its affairs so as to separate its regulatory activities from its other activities.

Moreover, councils must adopt a process or processes to ensure that members of the public are given a reasonable opportunity to be involved in the development and review (at least every three years) of their strategic management plans.

These plans form part of a clear accountability cycle and management framework which requires councils to link strategic plans with operational plans and policies. The plans and policies are designed to achieve the objectives that have been identified to set out ways of monitoring whether their activities are achieving their objectives and to report on these in their annual reports.

The South Australian Office of Local Government, together with the Local Government Association of South Australia, is supporting councils' development of their strategic management plans and associated policies in a variety of ways. These ways range from provision of training and advice to targeted financial and practical assistance for smaller rural councils under the Supporting Rural Councils programme.

Local government infrastructure

Councils in South Australia manage assets with an estimated value in excess of \$8 billion. The local government sector has completed and disseminated the results of a major study on its infrastructure assets.

The objective has been to help councils improve their asset management through:

- providing a structural database and analytical tools;
- improving knowledge of the issues and good asset management practice; and
- providing a 'way forward' through suggestions, examples and recommendations.

The study has confirmed what local government in South Australia itself had recognised: the need to start planning now for increased attention to renewal of infrastructure assets.

Regional/remote areas

New strategic directions for the Outback Areas Community Development Trust were developed as a result of the Government's review of the performance and operations of the Trust. In its new role the Trust will play a leading part in the coordination of services in the outback areas and link the forward planning of State agencies for outback service delivery with the Trust's strategic management planning and with local community plans.

Tasmania

In June 1996, as required under the Competition Principles Agreement, the former Tasmanian Government submitted to the National Competition Council a policy statement called *Application of National Competition Policy to Local Government* (Application Statement). This statement was prepared by the then State Government, in consultation with local government, and provided a broad policy statement on how it intended the key principles, where appropriate, be applied to local government.

Progress to date on applying competitive neutrality, prices oversight and legislation review to local government is outlined below.

Competitive neutrality

Under the Application Statement, when applying competitive neutrality principles, councils are required to:

- identify relevant business activities considered to be significant business activities;
- undertake public benefit assessments of the corporatisation of those business activities classified as public trading enterprises under the Australian Bureau of Statistics' Government Financial Statistics Classification, as outlined in the Application Statement (generally water and sewerage); and

- corporatise those public trading enterprises where a public benefit assessment indicates that the benefits outweigh the costs of doing so or apply full cost attribution to all other significant business activities.

Accordingly, councils undertook public benefit assessments of the corporatisation of their public trading enterprises during 1999.

All councils found that corporatisation of their public trading enterprises would not be in the public benefit, mainly due to the small size of Tasmanian councils and therefore of their business activities. These results were submitted to a peer review group consisting of the Local Government Association of Tasmania and council representatives. The peer review group endorsed the results of the public benefit assessments and provided a recommendation to the Treasurer to this effect in November 1999. The Treasurer endorsed the public benefit assessment and the outcome of the peer review assessment on 3 December 1999.

The joint bulk water authorities – Hobart Water, Esk Water and Cradle Coast Water – have been corporatised under the Local Government Act, independent of this process.

Councils are continuing to apply full cost attribution to their business activities in a form appropriate to their size. Importantly, the Local Government Act was amended in 1999 to require councils to disclose the full cost of operating their significant business activities in their annual reports.

To comply with the competitive neutrality principles, the Local Government Division of the Department of Premier and Cabinet has developed a Community Service Obligation Policy and Guidelines framework for councils. This policy is consistent with the policy applying to the State Government's Government Business Enterprises.

The main objectives of the Community Service Obligation Policy are:

- to ensure that a council's social and other objectives are achieved without impacting on the commercial performance of its significant business activities;
- to improve the transparency, equity and efficiency of Community Service Obligation service delivery; and
- to be consistent with National Competition Principle requirements.

The Policy was implemented in early 2001, in accordance with Tasmania's National Competition Principle obligations.

The Application Statement also requires a competitive neutrality complaints mechanism to be established. This mechanism was established under the Government Prices Oversight Regulations. Under the regulations, a person who believes that he or she has been adversely affected by a contravention of the competitive neutrality principles may lodge a complaint with the Government Prices Oversight Commission which has responsibility for investigating all alleged breaches of the competitive neutrality principles in the State.

During 2000–01, two complaints were lodged with the Commission relating to alleged breaches of the competitive neutrality principles by local government authorities. The complaints were in relation to operation of the Clarence Swim Centre leased out by the Clarence City Council and operation of the Launceston City Council trading as Total Workforce.

Overseeing prices

The Application Statement provided that local government monopoly or near monopoly providers were to be brought under the prices oversight jurisdiction of the Commission. The *Government Prices Oversight Amendment Act 1997* extended the coverage of the *Government Prices*

Oversight Act 1995 to include local government monopoly or near monopoly services.

In addition, in accordance with the Agreement to Implement the National Competition Policy and Related Reforms, Tasmania is required to implement the Council of Australian Governments' *Strategic Framework for the Efficient and Sustainable Reform of the Australian Water Industry* (Strategic Framework). The Strategic Framework requires metropolitan bulk water suppliers to charge on a volumetric basis to recover all costs. Metropolitan bulk water suppliers are to also earn a positive real rate of return on the written-down replacement costs of their assets.

Against this background, the Commission was required to undertake an investigation into the pricing policies associated with provision of bulk water by the Hobart Regional Water Authority, the Esk Water Authority and the North West Regional Water Authority in 1998. As a result, the Commission recommended maximum prices (in the form of maximum revenues and pricing principles) to be charged by each of the State's three bulk water authorities for a three-year period commencing 1 July 1999. The Government endorsed the Commission's pricing principles for bulk water which were to apply until November 2001. The Commission has recently begun the next investigation into the pricing policies of these authorities for prices commencing in April 2002.

Treatment of local government by-laws

The Local Government Division of the Department of Premier and Cabinet has implemented procedures for reviewing all proposed or existing by-laws to ensure that any restrictions on competition are fully justified as being in the public benefit. The *By-Law Making Procedures Manual* was released in August 1997 and represents the by-law section of the

Government's Legislation Review Programme. All by-laws proposed since that date have been required to comply with the new procedures.

All by-laws made under the 1962 Act remained in force under the current Local Government Act (to the extent that they were consistent with the new Local Government Act) for a period of five years, and were due to expire on 17 January 1999.

A number of councils have been progressively reviewing their by-laws and a number have been repealed. As a result, there has been a continued decline in the overall number of by-laws. However, a significant number of councils were not prepared for the statutory expiry of all these by-laws on 17 January 1999. In December 1998, the Government therefore introduced the *Local Government (Savings and Transitional) Amendment Act 1998* to extend the expiry date until 31 March 1999. This resulted in the automatic expiry at the end of March 1999 of approximately 500 by-laws made under the 1962 Act.

All the 115 new by-laws gazetted under the current Local Government Act since the commencement of that Act in January 1994 have been subjected to the legislation review processes. Councils are now carefully considering the subject matter they wish to deal with through by-laws, such that new by-laws are generally made to deal solely with matters of broad governance rather than relating to commercial operations. Tasmanian councils have repealed their obsolete by-laws and replaced them, where appropriate, with by-laws that focus on governance arrangements and comply with National Competition Principles.

Amendments to the Local Government Act in 1999 resulted in further application of National Competition Principles to local government by-laws, with the requirement that any new by-laws with a significant impact on the community be

subject to a Regulatory Impact Statement. This amendment formalised the procedure already required in the *By-Law Making Procedures Manual*.

Northern Territory

As the Northern Territory has concentrated on developing performance indicators, their input has been incorporated into that section of the report rather than here.

Australian Capital Territory

City Management Branch within the Urban Services Department is the ACT Government's purchaser of a range of municipal services. Its core business is the ownership and management of the use, maintenance and creation of public assets. To do this, it provides policy advice, sets standards, plans and implements programmes and purchases services from providers in the areas of:

- roads, stormwater, community paths, bridges and traffic signals;
- waste, recycling and resource recovery services; and
- urban parks, lakes and public open space.

In 2000–01 City Management achieved Quality Assurance certification ISO 9001 – Identified Compliance with Best Practice Procedures.

ACT Waste Management

Measures undertaken by ACT NOWaste include:

- preparation and development for online transactions;
- conducted trials of recycling services in public places and an organic waste 'bio bin' collection from households;
- expressions of interest were called to identify best practice options for future domestic waste collection, recovery and reprocessing technologies;

- implementation of a Development Control Code which ensures best practice waste management at residential and commercial developments including minimisation of waste during construction and demolition operations;
- rationalisation of the standards for the design and construction of infrastructure to maximise the use of recycled materials; and
- continuation of education programmes (including media releases, promotional materials, presentations to delegations, students, Government and other interested parties), to encourage the community to reduce, recycle and reuse waste.

Canberra Urban Parks and Places

In 2000–01, Canberra Urban Parks and Places, as the purchaser of park and public place maintenance services, continued its focus on improving the efficiency and effectiveness of delivery of services by:

- continuing the programme of market testing the delivery of services – contracts were let for a further two of the six horticultural regions, leaving only one horticultural region and tree services remaining to be tendered;
- widening the scope of open space maintenance contracts to integrate a variety of services associated with open space/road asset boundaries previously delivered separately, thus eliminating overlaps and improving service provider focus; and
- continuing to review contract management procedures and, in partnership with contractors, continuing to improve. Compliance with service specifications increased from 85.2 per cent in 1998–99 to 91.8 per cent in 1999–2000 and 92.7 per cent in 2000–01.

The Department of Urban Services has undertaken market testing of its maintenance

services. Six term maintenance contracts (with the contract period of three years) have been developed for stormwater, streetlight, traffic light and road assets. These contracts will be performance based with the adoption of a standard format.

Recognising that existing standards for design and construction of urban infrastructure are several years old, tend to be prescriptive rather than performance based and do not recognise new technology, the ACT Government decided to review and update these standards as required. These standards will then be up to date and will align with Australian best practice.

APPENDIX I

PROGRESS REPORTS ON IMPROVEMENTS IN SERVICE PROVISION TO INDIGENOUS COMMUNITIES

New South Wales

Local Government Aboriginal Network

The New South Wales Department of Local Government has in past years supported Aboriginal Network Conferences with the host council taking responsibility for organising and running the individual conference. The Department has, however, been gradually reducing its participation while maintaining a role in supporting each conference through publicity and by providing assistance and advice to the host councils. During July 2000 to June 2001 there were two conferences (one in Nowra in October 2000 and another in Moama in March 2001).

Reconciliation

The Department of Local Government supports the principles of reconciliation through the Local Government Aboriginal Network conferences. These conferences provide an invaluable opportunity for networking, raising cultural awareness and sharing ideas. They also provide a forum for discussing local government related issues.

Aboriginal Mentoring Programme

This programme provides an opportunity for Aboriginal community members to gain a greater insight into local government and to encourage more people to run for office at local council elections.

An evaluation of the programme commenced in March 1999 and data collection was completed by December 1999. The purpose of the evaluation was to determine the effectiveness of the programme, identify factors affecting its effectiveness and improve its operation.

During the evaluation 16 (of 23 participating) councils held elections. Of the 27 Aboriginal participants in the mentoring programme 11 stood as council candidates and two were elected.

All New South Wales councils were provided with a report on findings from the evaluation, to encourage more councils to participate. The report is available on the Department of Local Government website.

Local government advisory committees

Establishing local government advisory committees in councils has provided a mechanism crucial to free and open communication between Aboriginal communities and local councils. The function of these committees is to improve communication, understanding and trust between Aboriginal people and local government. These committees, in many local government areas, have proved to be the key to resolving issues such as provision of water and sewerage services.

Currently, 45 councils (an increase of five in the past 12 months) have established advisory committees. This programme will continue to be supported through joint arrangements with the Local Government and Shires Associations of New South Wales.

Local government – agreements with Aboriginal communities

The Department of Local Government, in partnership with the Local Government Shires Associations of New South Wales, is working to develop local agreements between councils and Aboriginal communities about infrastructure needs and maintenance and provision of council services.

In 2000, agreement was reached to establish a single position of Aboriginal Policy Officer with the Associations, supported by funding from the Department of Local Government, the Department of Aboriginal Affairs and the Premiers Department. One of the principal functions of this position will be to further develop agreements with Aboriginal communities and councils.

Social plans

Under the Local Government Act all councils in New South Wales are required to develop a social–community plan. A social–community plan examines the needs of the local community

including groups which may be disadvantaged in some way, and formulates strategies which council and/or other agencies could implement to address identified needs. The social plan identifies specific policies and action plans for seven mandatory target groups, which includes Aboriginal people. Through this process, councils may identify issues and services they should be addressing in relation to Aboriginal communities.

Councils are expected to report in their annual reports about activities designed to target Aboriginal people in accordance with identified needs. Detailed information on how councils service their Aboriginal communities through their social plans may be obtained direct from local councils.

Victoria

Inter-agency coordinating committee

The Department is a major representative on an inter-agency coordinating committee, under the auspices of the Aboriginal and Torres Strait Islander Commission in Victoria and the Municipal Association of Victoria. The committee has been reconstituted in 2001 to take an encouragement role regarding the relationship between local government and the Indigenous communities they serve.

One of the first tasks of the committee has been to develop a detailed survey instrument to identify the nature, scope and range of initiatives in the areas of service provision to, employment of and relationships between each of the 78 local governments and Indigenous communities. The survey is planned for completion and publication in 2001–02.

From the survey findings it is expected that best practice can be identified, as well as gaps in practice. The long-term goal is to engage the sector to build its capacity and its performance in the area of its nexus with Indigenous peoples.

Council of Australian Governments reconciliation framework

Victoria is represented on a national working party established in mid 2001 to develop a draft Action Plan for the Commonwealth Local Government Ministers' Conference, under the Council of Australian Governments' framework to further Aboriginal reconciliation. This work complements that already undertaken at the local level by a number of urban and rural councils in setting up their own reconciliation statements, local agreements and practical strategies.

Queensland

In Queensland, the Department of Local Government and Planning, the State Library of Queensland, and the Department of Aboriginal and Torres Strait Islander Policy and Development have all made significant contributions to improving service provision to Indigenous communities.

Department of Local Government and Planning initiatives

Smaller Communities Assistance Programme

The Smaller Communities Assistance Programme has a budget of \$150 million over 10 years. Its aim is to help local governing bodies provide a reliable water supply and sewerage services of an acceptable standard and cost to communities with populations fewer than 5,000 persons. Depending on need, grants of up to 100 per cent of the cost of infrastructure may be made available.

Although largely targeted at local governments, this programme can also be accessed by Aboriginal and Torres Strait Islander councils that meet the guidelines. The guidelines have, in the past, been difficult for most Aboriginal and Torres Strait Islander councils to meet due to a requirement to commit to ongoing operation, maintenance, and replacement. In recent rounds of allocations the

following communities with significant Indigenous populations were successful in obtaining assistance:

Aurukun Shire Council	\$100,000
Burke Shire Council (Burketown)	\$1,000,000
Torres Shire Council (Prince of Wales Island)	\$240,000

This Department is participating in an inter-departmental committee to identify ways to resolve the problem of funding and performing ongoing operation and maintenance in Torres Strait communities.

Rural Living Infrastructure Programme

Under the Rural Living Infrastructure Programme, \$16 million is available to local governing bodies over four years for promoting:

- new or upgraded community infrastructure in rural communities;
- enhanced economic and tourism development opportunities; and
- greater incentives for people to live in rural towns.

Funding available through the programme is directed to local governing bodies with populations of fewer than 15,000. This requirement makes Queensland's Aboriginal and Torres Strait Islander councils eligible for assistance. In recent rounds of allocations the following Aboriginal and Torres Strait Islander councils or communities with significant Indigenous populations were successful in obtaining assistance:

Badu Island Council	\$33,000
Bamaga Island Council	\$150,000
Burke Shire Council (Burketown)	\$65,000
Cherbourg Aboriginal Council	\$41,935
Hammond Island Council	\$7,934
Hopevale Aboriginal Council	\$45,000
Mapoon Aboriginal Council	\$60,000

Napranum Aboriginal Council	\$65,000
New Mapoon Aboriginal Council	\$47,000
Palm Island Aboriginal Council	\$97,500
St Paul's Island Council	\$100,000
Stephens Island Council	\$90,000
Torres Shire Council (Greenhill)	\$50,000
Yarrabah Aboriginal Council	\$90,126

Security Improvement Programme

Under the Security Improvement Programme, \$2 million per annum is available to provide up to a 50 per cent subsidy to local governing bodies for expenditure on security measures, such as surveillance equipment, lighting, emergency telephones and modifications to public facilities, in existing places.

In recent allocations the follow Indigenous communities successfully obtained funds:

Injinoo Aboriginal Council	\$63,294
Yarrabah Aboriginal Council	\$5,553

State Library of Queensland initiatives

In 1999–2000, funding was allocated for establishing new libraries in the Indigenous communities of Cherbourg and Bamaga. The library at Kowanyama has been upgraded with a view to servicing Indigenous community needs. Further funding has been earmarked for development of libraries in other communities and a mobile library in the Northern Peninsula Area servicing five communities.

The State Library's Indigenous Libraries Unit was established in 1997 and is based in Cairns. The Unit continues to liaise with Indigenous communities regarding development of public library services. The operating subsidy scheme available to local governments has been extended to Aboriginal and Torres Strait Islander councils.

Department of Aboriginal and Torres Strait Islander Policy and Development initiatives

Community governance

The Department administers the *Community Services (Aborigines) Act 1984* and the *Community Services (Torres Strait) Act 1984*, which provide for the system of local government for 32 Aboriginal and Torres Strait Islander communities in Queensland.

There are 15 Aboriginal councils and 17 Island councils established under the respective Acts. Each of these councils has the full powers of local government for the area for which they are established. These councils also undertake a range of additional functions including housing, community policing and various enterprises.

State Government Financial Aid Programme

Funding of \$18.68 million is provided annually to Aboriginal and Island councils under the State Government Financial Aid Programme as a contribution to the cost of providing local government services and community policing.

Financial Accountability Improvement Programme

Funding of \$1.3 million was provided in 2000–01 under the Financial Accountability Improvement Programme to improve the financial management capacity and accountability of Aboriginal and Island councils.

Aboriginal and Torres Strait Islander Infrastructure Programme

The Aboriginal and Torres Strait Islander Infrastructure Programme provides financial assistance for significant upgrading of environmental health infrastructure for remote Aboriginal and Torres Strait Islander communities. The majority of this funding has been utilised to improve basic water and waste

disposal arrangements in the 32 communities established under the Community Services Acts. In 2000–01, \$22 million was provided under this programme.

Council chambers capital works programme

Funding of \$5.8 million was secured in the 1999–2000 State Budget for constructing new council chambers at the Bamaga Island community and the Aboriginal communities of Lockhart River, Mapoon and Woorabinda over 1999–2000 and 2000–01.

Western Australia

Department of Local Government

Candidates' Guides

As in 1997 and 1999, for the May 2001 local government elections, electoral information (this year in the form of Candidates' Guides) was distributed to local governments and regional offices of the then Aboriginal Affairs Department (now Department of Indigenous Affairs) and the Aboriginal and Torres Strait Islander Commission. The aim was to encourage Aboriginal people to stand for council and to vote in local government elections (voting is not compulsory).

In June 2001, the Department commenced participation in the Local Government Ministers' Conference working party convened to develop an Aboriginal Reconciliation action plan.

Ministerial Coordinating Group on Aboriginal Issues

The Department of Local Government chairs the Ministerial Coordinating Group on Aboriginal Issues. Initiatives undertaken during 2000–01 included:

- Following a meeting between members of the Group and the Western Australian Local Government Grants Commission in May

2000, details of the Commission's visits to various local governments in the north west of the State during September 2000 were made available to members of the Group. This was so Aboriginal communities and representatives could be encouraged to participate in the public hearings conducted by the Commission in each local government district. In preparation for the visits, the Commission asked each local government to provide details of the services and facilities it provides in relation to Aboriginal communities in its district and also the respective budget allocations.

- The Group made a submission to the Commonwealth Grants Commission's review of the *Local Government (Financial Assistance) Act 1995*, with particular reference to the extent to which the methods of the State Local Government Grants Commission take account of the special circumstances of Indigenous communities.
- The Group commented on a draft policy for the planning of Aboriginal communities, developed jointly by the Ministry for Planning and the Aboriginal Affairs Department that was expected to be introduced as a Statement of Planning Policy by the Western Australian Planning Commission late in 2000. The policy was subsequently finalised and used as a basis for a service agreement between the Shire of Broome and Aboriginal communities (see also Aboriginal Community Strategic Investment Programme below).
- The Group considered a paper on paying for services in Aboriginal communities. The paper canvasses several options, including eventual full rating of Aboriginal communities where they have the capacity to pay. Consideration is to be given to how the paper will be progressed during 2001–02.
- A format for workshops across the State was considered and accepted by the Group. The

aim of the workshops is to bring local government and Aboriginal people together to look at local issues and ways in which they might work on these jointly. It is anticipated that these will be progressed during 2001–02.

Aboriginal Community Strategic Investment Programme

As reported in the 1999–2000 National Report, the Aboriginal Community Strategic Investment Programme was developed in response to the Chief Executive Officers Working Party 1995 *Report on Essential Services to Aboriginal Communities*. The report recommended that the State Government implement a programme to upgrade and normalise essential services to large, permanently established remote communities and town reserves.

The State Government allocated \$25 million over seven years for a series of projects in selected communities. Jigalong and Oombulgurri communities were selected as the initial demonstration projects and the programme was then extended to include Nambi Road Village, Leonora, Burringurrah and the Dampier Peninsula communities.

The programme aims to contribute to an improvement in health and living standards of Aboriginal communities through improved community management and administration; normalisation of power, water and sewerage services; and the increased involvement of local government in delivery of services.

Key developments

Key developments in 2000–01 have included:

- the Aboriginal Community Strategic Investment Programme which now includes the Jigalong, Oombulgurri, Nambi Village, Bidadanga, Djarindjin, One Arm Point, Lombadina, Beagle Bay, Kalumburu, Balgo, Yandeyarra and Burringurrah Aboriginal communities.
- The Shire of Broome signed service agreements with other relevant parties in relation to environmental health and building inspection services to remote Aboriginal communities as well as community layout planning in the Shire utilising the planning policy developed through the then Ministry for Planning. These service agreements were signed in August 2000 and a review was held in June 2001.
- The Shire of Broome has allocated a full-time health and building inspector to remote Aboriginal communities and the Shire will be maintaining some of the airstrips and roads in the region for communities (Bidadanga, One Arm Point and Lombadina). The Shire also project-managed the building of roads at One Arm Point and Bidadanga. Further, the Shire of Broome, Main Roads Western Australia and the Aboriginal and Torres Strait Islander Commission are funding the upgrade of the Cape Leveque Road and community access roads.
- The Wyndham–East Kimberley Shire will be project-managing ongoing maintenance road works at Oombulgurri. A similar agreement is proposed for Kalumburu. The Shire has undertaken a recreation planning study for Kalumburu and will be supporting a capital bid for funding.
- Discussions have been taking place with the Shire of Halls Creek about providing increased support for Balgo on a fee-for-service basis.
- The key agencies involved with the Aboriginal Community Strategic Investment Programme (the Department of Indigenous Affairs, the Aboriginal and Torres Strait Islander Commission and the Department of Housing and Works, formerly the Ministry for Housing) have been closely assisting communities in their recruitment process and performance management of Chief Executive Officers. This has included a top-up of salary levels to assist in recruiting more qualified and experienced staff.

Code of practice for housing and environmental infrastructure development

In July 1999, the Environmental Health Needs Coordinating Committee sponsored a consultancy to develop a set of standards to improve the functionality and sustainability of environmental health infrastructure in Aboriginal communities. The need for such a consultancy followed a history of inappropriate design, poor standard of construction and a lack of maintenance leading to frequent failure of environmental health infrastructure in Aboriginal communities.

The resulting *Code of Practice for Housing and Environmental Infrastructure Development in Aboriginal Communities in Western Australia* was endorsed by the State Aboriginal Affairs Coordinating Committee, all Western Australian State departments and relevant Commonwealth agencies, including the Aboriginal and Torres Strait Islander Commission and the Department of Health and Aged Care. It is a condition of all funding agreements with these agencies that the Code of Practice standards are implemented and enforced. The Code was distributed to all government departments, local governments, major Aboriginal communities and throughout the building industry.

Capacity building in Aboriginal communities

During 1999–2000, the Aboriginal Affairs Department established a consultancy to consider capacity building in Aboriginal communities in Western Australia. The consultancy had as a backdrop the 1997 Aboriginal Communities Environmental Health Survey conducted on behalf of the Environmental Health Needs Consultative Committee and was regarded as a complementary exercise to the then Western Australian State Government Regional Development Policy which included strategies and initiatives to build the capacity of regional communities.

The consultancy drew from case studies of the Jigalong, Warburton and Balgo Aboriginal communities. The final report of the consultancy was tabled in June 2000. There was some further work undertaken in 2001 on planning for a capacity building pilot project with Balgo or the Wirrimanu community. This is expected to be progressed during 2001–02 and include the involvement of the relevant local government and the restructured Department of Local Government and Regional Development, resulting from machinery of government public sector reform in Western Australia.

South Australia

Strategic directions

The approach in South Australia continues to be characterised by collaboration between the three spheres of government. New strategic directions for improved local government outcomes for Aboriginal and Torres Strait Islander people and communities have been established with the release of the report entitled *Local Councils Belong to Aboriginal People 2* in August 2000.

The report includes a strategy with a series of recommendations to be progressively implemented over three years to address issues relating to the nine programme areas of:

- coordination and integration;
- inter-governmental relations;
- participation in local government;
- community awareness;
- access to services and facilities;
- employment and economic development;
- local and regional planning;
- native title; and
- reconciliation.

The strategy has been adopted by the Local Government Association State Executive and provided to South Australia Government

Ministers for noting, so as to facilitate a whole-of-government approach to implementing the series of recommendations over the three-year period. Several key aspects have received endorsement by the Minister for Local Government and Minister for Aboriginal Affairs as identified below. Progress has been made in some programme areas – the following provides an outline of that progress.

Coordination and integration

Inter-governmental local government–Aboriginal network

Established by the Minister for Local Government in May 2001, the Inter-Governmental Network is convened by the Office of Local Government. The network provides a structured framework to promote shared strategic directions and effective working relationships between the three spheres of government. It operates at officer level and comprises representation of the Aboriginal and Torres Strait Islander Commission, Local Government Association of South Australia, Department of State Aboriginal Affairs, Office of Local Government, South Australia Local Government Grants Commission, and two nominees of the Local Government Association Aboriginal Policy Officer Network.

Local government association Aboriginal policy officers network

The report identified eight South Australian councils employing Aboriginal Policy Officers. They are the City of Adelaide, District Council of Ceduna, City of Marion, City of Onkaparinga, City of Playford, City of Port Adelaide Enfield, City of Salisbury, and the District Council of Yorke Peninsula. Established by the Local Government Association in September 2000, the Aboriginal policy officers network provides a consultation link for the officers and a direct link to the inter-governmental network.

Inter-governmental relations

Policy statement on reconciliation

The Local Government Association of South Australia, at its November 2000 annual general meeting, endorsed a new policy statement on Aboriginal reconciliation reaffirming local government's commitment (consistent with the statement on reconciliation adopted by the Australian Local Government Association and Local Government Association of Queensland).

Prescribed Aboriginal local governing authorities located outside Local Government Act areas – local governance

The Department of State Aboriginal Affairs, with the financial support of the Office of Local Government, is overseeing a project to develop corporate governance principles for the Nepabunna Community Council Inc. in respect to local government type services to residents within the council's local governing area. The Nepabunna Community Council is a prescribed Local Governing Authority for the purposes of the *Local Government (Financial Assistance) Act 1995*. The project aims to produce a framework of governance that suits the cultural circumstances of the council – one with which elected representatives can operate and can take out to and consult with their communities. The council has nominated two internal community facilitators to support the project. A feature of the project is that it is being progressed in a spirit of cooperation and collaboration between all parties involved – Aboriginal and Torres Strait Islander Commission Port Augusta, Aboriginal and Torres Strait Islander Commission State Policy Office, the Local Government Association, South Australian Local Government Grants Commission, Nepabunna Community Council and State Office of Local Government.

Local Government Association membership

There are five prescribed Aboriginal Local Governing Authorities located in areas not covered by the South Australian Local Government Act. Two of the five are members of the Local Government Association – the Anangu Pitjantjatjara Inc. (1995) and the Nepabunna Community Council (April 2001). The other three have been invited to join.

Participation in local government

Representation – elections and voting

The report identified a direct relationship between timely provision of information before local government elections and the level of interest in Aboriginal and Torres Strait Islander people nominating as candidates and registering to vote. Funding has been secured from the Federal Government Local Government Incentive Programme and the Office of Local Government to develop culturally appropriate material. The material is to support councils in developing and instituting their promotional, marketing or educational initiatives about local government, and to foster interest in nominating for councils amongst the Aboriginal public within their local government area.

The project, being progressed under the State–Local Government Partnerships Programme, seeks to respond to the continuing lack of awareness of voting rights, nominees for local government and the apparent still low levels of voter turnout by Aboriginal people in local government elections. In South Australia there were eight Aboriginal candidates in 1995, a record 14 in 1997 (with one successful candidate) and two candidates in 2000. Currently there are no known South Australia councillors of Aboriginal or Torres Strait Islander descent. The project also seeks to increase the awareness of Aboriginal and Torres Strait Islander organisations and people about local government itself. The project, hosted by the Local Government

Association of South Australia, is to have a Steering Group that includes a representative of the State Electoral Office.

Community awareness

Highlighting achievements

A booklet, *Examples of Working Together in South Australia*, November 2000, profiles for the first time in South Australia in a consolidated document the many practical examples of interaction between councils and Aboriginal and Torres Strait Islander communities and people. The positive and encouraging examples illustrate achievements in working together towards reaching their shared goal of improving relationships. Funded by the Office of Local Government, the project was an important adjunct to the review and strategy project managed by the Local Government Association of South Australia.

Native title

Supporting the Australian Local Government Association's strategic involvement in issues of national significance

The Local Government Association of South Australia, in conjunction with the Australian Local Government Association and its partners (Aboriginal and Torres Strait Islander Commission, National Native Title Tribunal and Commonwealth Attorney-General's Department) participated in a meeting on 15 and 16 August 2000 between the District Councils of Yorke Peninsula, Barunga West, Copper Coast, Wakefield Regional Council and the Narungga Nations Native Title Management Committee. The meeting discussed development of a framework for an Indigenous Land Use Agreement for the region. The meeting was arranged as a joint partnership between the Local Government Association, Aboriginal Legal Rights Movement and the Australian Local Government Association. The councils have since received Commonwealth funding to facilitate negotiations.

Facilitators

The Local Government Association has invited facilitators to undertake a native title course to be conducted prior to encouraging them to seek a listing on the Commonwealth Native Title Practitioner's Panel. It is anticipated that demand for facilitators in this area will grow significantly in the coming months.

Portfolio initiative

Department for Transport, Urban Planning and the Arts Reconciliation Group

The South Australian Office of Local Government is an agency located within the South Australian Department for Transport, Urban Planning and the Arts and is a member of the Department's Reconciliation Group. Established in September 2000, the Reconciliation Group holds monthly lunchtime forums and produces a staff newsletter. Forum topics have included:

- artwork of the Spinifex people;
- moving personal experiences of children removed from their families in Western Australia (video and facilitator);
- personal healing (sacred site within healing centre);
- visit to Tandanya National Aboriginal Cultural Institute;
- guest speaker from the Native Title Tribunal;
- guest speaker from the Local Government Association on reconciliation in local government,
- visit to the Australian Aboriginal Cultures Gallery (South Australia Museum); and
- employment initiatives.

National initiative

The South Australian Office of Local Government is represented on a national working party, hosted by the Australian Local Government

Association and the Federal Government represented by the Department of Transport and Regional Services. The working party was formed in response to the Council of Australian Governments request to all Ministerial Councils to prepare an action plan to advance reconciliation with Australia's Indigenous peoples. The working party is developing a framework for an Action Plan for consideration by the Local Government and Planning Ministers' Conference.

Tasmania

The Tasmanian Government has continued to work towards better outcomes for the Aboriginal community through improvements in service delivery, during 2000–01. As part of its broader commitment to reconciliation, Tasmania has been reviewing service delivery arrangements for Indigenous people. In doing this, the State has been mindful of both the November 2000 Council of Australian Governments agreement on Aboriginal reconciliation and the recommendations in the final report of the Council for Aboriginal Reconciliation.

There are three main aspects of the Government's approach that directly relate to improving service delivery at the community level and the role of Local Government in achieving such change. These are a whole-of-government policy framework to guide the future provision of services to Indigenous people; negotiated partnership agreements; and a partnership agreement with the Aboriginal and Torres Strait Islander Commission.

Framework for improving service delivery to Aboriginal communities

In consultation with other agencies, the Department of Premier and Cabinet has been developing a whole-of-government policy framework to guide the future provision of services to Indigenous Tasmanians. The

framework has yet to be finalised, but is expected to include strategies on:

- coordination of service delivery at the individual and community levels;
- Aboriginal community involvement in programme planning and delivery;
- ensuring services are culturally appropriate; and
- data collection and performance monitoring.

The focus on holistic community-level delivery models emphasises the important role of local government in achieving better outcomes for Aboriginal people. The framework is expected to help local government, as well as State agencies, better respond to the needs of the Aboriginal community.

Local government partnership agreements

The Tasmanian Government is well advanced on a programme to negotiate partnership agreements with individual and regional groupings of councils across the State. As part of the negotiation of each agreement, the Government seeks to promote links between local government and Aboriginal community representatives. The aim is to identify key issues that affect Aboriginal people in the council area and develop strategies to address these. Broadly, the topics covered include:

- strategies to improve the level of participation of Aboriginal people in local government;
- promoting understanding of Indigenous issues in the wider community;
- sustaining the reconciliation process by encouraging public support and participation;
- taking joint action to reduce social disadvantage in the Aboriginal community; and
- measures to enhance economic development and employment opportunities for Aboriginal people.

Aboriginal and Torres Strait Islander Commission partnership agreement

As well, the Government has commenced negotiations with the Aboriginal and Torres Strait Islander Commission on a partnership agreement aimed at joint initiatives to reduce disadvantage in the Aboriginal community. The agreement is expected to focus on service delivery at the community level.

An example of cooperative action between local government and the Aboriginal community to promote reconciliation was the reconciliation walk on 23 July 2000. The Office of Aboriginal Affairs, in conjunction with the Hobart City Council, the Aboriginal and Torres Strait Islander Commission and the State Reconciliation Committee, sponsored a reconciliation walk over the Tasman Bridge in Hobart, involving an estimated 25,000 people.

Northern Territory

Constraints

One of the problems faced in the remote communities of the Northern Territory is isolation and poor access to information. Councils also suffer from an 'image' problem, in that the bulk of the information circulating concentrates on problems and negative aspects of remote area local government.

The pressure to achieve effective delivery of services in rural and remote areas is increased by the continuing cost of failure to achieve necessary outcomes, and the failure of strategies that have achieved success in other places. The tyranny of distance coupled with small population centres provides challenges that must be continually re-addressed.

Best Practice Programme

The Northern Territory's Best Practice Programme, funded by an early grant from the

Commonwealth Department of Transport and Regional Services, has been ongoing since 1997. The objective of the programme was to overcome difficulties associated with remoteness and to increase the awareness of practices in other communities which have led to improved local government service delivery.

Partnership agreements

A study into service delivery generally was undertaken and completed during the year by the Department of Local Government. The primary conclusion of the study was that a new and more productive partnership between the Northern Territory Government and local government councils was needed. It was proposed that the partnership be developed according to negotiated principles that would apply to specific partnerships agreements, or memoranda of understanding, that would, over time, be further negotiated.

The proposed partnership agreements would enunciate the roles and responsibilities of each party in the delivery of either a group of services or a specific service. Outcomes would be articulated and performance criteria clearly settled.

Australian Capital Territory

Demographics

The Aboriginal and Torres Strait Islander population in the Australian Capital Territory is relatively small – in actual terms and as a proportion of the total Territory and national populations.

About 3,500 Territory residents (about 1 per cent of the Territory population) identify as Aboriginal and/or Torres Strait Islander. This is about 0.8 per cent of Australia's total Aboriginal and Torres Strait Islander population. It comprises people with both historical links with the region and people who have moved to the Territory from

other areas, often to work or study. There are significant linkages with Aboriginal and Torres Strait Islander peoples in the surrounding areas of New South Wales.

Interestingly, the Aboriginal and Torres Strait Islander population of Queanbeyan is proportionately much higher: 2.5 per cent of the Queanbeyan population (about 700 persons). Yarralumla Shire, on the other hand, has the same percentage as the Territory or, in actual numbers, about 40 people.

Research at the University of New England, based on the 1996 census, indicates the Aboriginal and Torres Strait Islander population in the Territory is rapidly increasing: an average annual rate of increase of 11.8 per cent over the period 1991–96, comprising:

- natural increase;
- migration; and
- an increasing self-identification as either an Aboriginal or Torres Strait Islander person.

Other statistics show the sex ratio is balanced and the population is a youthful one, particularly when compared with the broader population:

- 39.7 per cent is aged under 15; and
- 60.5 per cent is aged under 25.

Only 5.1 per cent of the Aboriginal and Torres Strait Islander population is aged over 50, and just 1 per cent is over 65.

It should be noted that, for various reasons, it is difficult to gather accurate statistics and, more difficult still, to disaggregate statistics for effective analysis of access to, or effectiveness of, programmes and services. Not the least of these reasons is the unreliability of data on births and deaths, and the increasing willingness of people to identify as being of Aboriginal and/or Torres Strait Islander origin. Thus, the Aboriginal and Torres Strait Islander demographic statistics for the Territory can only be indicative and, as such,

are likely to be under-representative of the Aboriginal and Torres Strait Islander population. The Government recognises this and has funded the development of a demographic profile.

Unique characteristics of the Australian Capital Territory

In general terms, the Territory is unique among the States. Various factors combine to create the special circumstances or characteristics that need to be taken into account when examining Australian Capital Territory government services. They include the Territory's:

- geographical location as a land-locked island within New South Wales – it is the only jurisdiction with 100 per cent of its population living within 25 kilometres of another jurisdiction which means government services are continually accessed by the surrounding regional population;
- role as the national capital and seat of Federal government;
- city–state character and the combined responsibility for state and local government; and
- relatively recent achievement of self-government.

These factors all impact on the policy decisions of the Territory's government as they affect Aboriginal and Torres Strait Islander peoples. So too do associated cost drivers, including:

- diseconomies of small scale – a full range of services is required for the relatively small Aboriginal and Torres Strait Islander population;
- the Territory Government tends to use a mainstream service provision model with a focus on improving Aboriginal and Torres Strait Islander access to, and ensuring the appropriateness of, mainstream services;

- extensive use of cross-border services by the Aboriginal and Torres Strait Islander populations of the region. Research on kinship patterns for Aboriginal and Torres Strait Islander people in the southern areas of New South Wales suggests that Canberra is the major centre for an Aboriginal and Torres Strait Islander population located well beyond its borders.

Therefore, limiting the Territory's Aboriginal and Torres Strait Islander population to those within defined borders is artificial. Cross-border service delivery issues arise in:

- health – arrangements with Southern Area Health Services include access to the Canberra Hospital and Winnunga Nimmityjah Aboriginal Health Service; and
- housing – because of the interaction of the Canberra market with the housing markets of Queanbeyan and other bordering areas of New South Wales.

The relative youthfulness of the Aboriginal and Torres Strait Islander population increases the costs of service delivery in a number of areas including health, justice and education. The city–state nature of the Territory presents its own difficulties when comparing the types of services offered with those offered in other regions.

APPENDIX J

LOCAL GOVERNMENT INCENTIVE
PROGRAMME 2000–01

In its May 1999 Budget, the Federal Government announced \$7 million would be available over the next two years under a new Local Government Incentive Programme. This programme aimed to address the Government's priorities, particularly in regional Australia, and reinforce support for councils to improve their service delivery. In 1999–2000, grants were targeted to help councils prepare for implementation of the GST legislation to take effect on 1 July 2000.

In 2000–01, the focus of the Local Government Incentive Programme was on the three national priority areas of:

- activities that led to the adoption of best practice and sharing of technical expertise across councils;
- the promotion of an enhanced role for local government in leading their communities; and
- increasing the capacity of local government to contribute to regional development.

In keeping with the Government's emphasis on the needs of regional Australia, councils were asked to submit projects that benefited rural councils, or small and medium regional or urban fringe councils. Projects funded in 2000–01 are listed below, by State (see tables J.1 to J.8). The Federal Government provided funding of \$4,268,620 in 2000–01 for 49 projects. The projects were undertaken in New South Wales (10), Victoria (8), Queensland (9), Western Australia (5), South Australia (5), Tasmania (3) and the Northern Territory (3). In addition the Commonwealth Government commissioned six projects.

Table J.1: Local Government Incentive Programme projects funded in New South Wales in 2000–01

Project title	Organisation	Project description	Funding
Spatially enabling information for better planning and policy development in the Western Sydney Basin	Hawkesbury City Council	Examine a regional geographic information system to provide spatial data that can improve decision making on natural and built environment, community and infrastructure development and delivery of services issues which cross local government boundaries.	\$100,000
Building regional environmental management capacity in rural councils	Lower Hunter and Central Coast Regional Environmental Management System	Enable the Lower Hunter and Central Coast Regional Environmental Management System to expand networking, resource sharing and cooperative action to address key regional environmental management issues and contribute to ecologically sustainable planning programmes to eight Upper Hunter Councils.	\$100,000
Implementation of timber bridge testing	Institute of Public Works Engineering Australia	Implement in the field a proven, low cost and simple procedure to provide reliable information on the condition of short and medium span timber bridges, saving up to 20 per cent on existing methods.	\$100,000
Tibooburra water supply augmentation scheme	Tibooburra Village Committee	Supply treated water to the township of Tibooburra.	\$100,000
Enhancing the leadership capacity of elected members and local government managers in New South Wales	Local Government and Shires Association of New South Wales	Develop and deliver workshop materials in rural and regional areas for performance improvement for elected members and managers. Develop materials for the Associations' learning site and develop a CD ROM and/or online workshop materials.	\$99,550
Cromulgun resource sharing	Crookwell Shire Council	Assess and implement resource sharing opportunities. This will initially be in the areas of waste collection and disposal, noxious weed functions, environmental/health/planning and building inspections, regulatory processes, environmental offence regulation works programme plant and equipment and quarry/crushing equipment.	\$15,530

Project title	Organisation	Project description	Funding
Mobile waste shredder	Bombala Council/ Cooma–Monaro/ Snowy River Shires	Purchase a mobile waste processor to reduce waste volume and allow recycling of a variety of materials including: rubber tyres, green waste, scrap metals, pallets, paper and cardboard. Share the use of the waste processor at council landfills to maximise landfill space and reduce environmental impacts.	\$94,000
Construction of stock bridge over the Macintyre River at Boggabilla	Moree Plains Shire Council/ Waggamba Shire/Queensland Department of Natural Resources and Land Protection and Northern Slopes Rural Lands Protection Board	Upgrade and replace an existing stock bridge over the Macintyre River to extend serviceable future life for up to 50 years.	\$100,000
Lord Howe Island Community Bulk Food and Goods Cooperative	Lord Howe Island Board	Establish a bulk food cooperative to minimise the waste generated through packaging imported onto Lord Howe Island. Handling, shipping and freight costs will be reduced.	\$36,000
New South Wales total			\$695,080

Table J.2: Local Government Incentive Programme projects funded in Victoria in 2000–01

Project title	Organisation	Project Description	Funding
Best practice service development in rural local government youth services	Royal Melbourne Institute of Technology and Department of Justice and Youth Studies	Enable rural councils to be involved in developing standards, benchmarks and service improvement strategies for local government youth services by extending an existing programme for 11 municipal councils.	\$47,820
Victorian statewide asset management and improvement strategy project	Municipal Association of Victoria	Promote best practice and continuous improvement activities.	\$88,000
The LGPro Benchmarking Programme	Local Government Professionals Inc.	Facilitate industry-wide benchmarking training and implement benchmarking projects with a particular focus on engaging rural and regional councils.	\$100,000
Small towns effluent disposal alternatives project	Golden Plains Shire Council	Progress alternative ways to provide effluent disposal to small towns.	\$40,000
Western district communities partnership project	Warrnambool City Council	Develop safety plans for each council and an overall regional safety plan. Individual councils to lead selected issues, eg farm safety, disability service and planning development.	\$100,000
Toward a sustainable dry-land agriculture environment	Buloke Shire Council	Share technical expertise across three municipalities, thus enabling information flows between communities, stakeholders, local, State and Federal Government agencies. Help develop common goals and identify alternative enterprises suitable for a dry-land environment.	\$95,000
Strategies for the effective provision of development and technical services in rural and regional areas	Cardinia Shire Council	Identify innovative ways to address staff and/or skills shortages.	\$100,000
Economic and social development in cross border region in Northern Victoria and Southern New South Wales	Moira Shire Council	Consider ways to overcome State border anomalies and improve community planning in a cross-border sub-region. Identify best practice and information sharing requirements that can lead to sharing of staff, infrastructure and plant to reduce costs and increase community satisfaction.	\$44,000
Victoria total			\$576,820

Table J.3: Local Government Incentive Programme projects funded in Queensland in 2000–01

Project title	Organisation	Project Description	Funding
Councils in cooperation – partnering a regional future	Belyando Shire Council	Undertake a total resource audit, to identify and reduce duplication of service delivery and resources and to achieve cost sharing.	\$46,940
Youth space project	Redcliffe City Council	Fit out a community youth facility.	\$97,000
Gulf Savannah Coordination Officer, infrastructure coordination and regional development	Gulf Local Authorities Development Association	Undertake a total resource audit, evaluate resource usage and recommend rationalisation and sharing potential to reduce duplication of service delivery and resources.	\$100,000
Joint <i>Integrated Planning Act 1997</i> scheme – Flinders, Richmond and Mckinlay Shires	Richmond Shire Council	Implement a joint integrated planning scheme between the proponent Shires.	\$90,000
Employment of implementation officer to manage Far North Queensland Regional Organisation of Councils response to the Far North Queensland Regional Plan	Far North Queensland Regional Organisation of Councils	Respond to the Far North Queensland Regional Plan on behalf of local government in the Far North Queensland region.	\$99,500
South East Queensland rural enhancement strategy	South East Queensland Regional Organisation of Councils	Develop a strategy to provide an economically, socially and environmentally viable and sustainable future for the rural communities of South East Queensland.	\$100,000
Mackay regional infrastructure standards project	Mackay, Hinterland and Whitsunday Local Governments Inc.	Develop a series of standard documents to facilitate and control the design, construction and maintenance of public infrastructure and design and construction of private developments.	\$37,500
Improved financial reporting and management	Local Government Association of Queensland	Simplify current financial reporting requirements and develop a management reporting process that is meaningful and easy for councils' elected members and staff to understand. Provide training and development for elected members.	\$81,000

Project title	Organisation	Project Description	Funding
Elected member update – regional training programme	Local Government Association of Queensland	Provide elected members with information and skills that will assist them in their role. Provide training tailored to the local government legislative and policy framework.	\$36,400
Queensland total			\$641,340

Table J.4: Local Government Incentive Programme projects funded in Western Australia in 2000–01

Project title	Organisation	Project Description	Funding
Implementing energy efficiency and greenhouse gas reduction in Armadale, Gosnells and Serpentine–Jarrahdale	Shire of Serpentine–Jarrahdale	Enable participating councils and their communities to implement measures that will save energy and operating costs and reduce greenhouse gas emissions.	\$98,500
Outback Highway Development Council Secretariat	Shire of Laverton	Support local government to promote/organise the development of the Outback Highway to an all-weather gravel standard.	\$20,000
Regional transport infrastructure coordination	Western Australian Local Government Association	Expand the scope and engagement of local government in regional transport infrastructure planning and coordination through the Western Australia Regional Road Group structure.	\$95,000
Esperance green field industrial park development project	Shire of Esperance	Undertake a full assessment of environmental, social and regional implications of an industrial park at Esperance.	\$100,000
Peel structural reform programme – resource and technical expertise sharing strategy and action plans/ strategies	Shire of Waroona for the Peel Group of councils/ Serpentine/ Jarrahdale, Waroona, Murray, Boddington and City of Mandurah	Identify resource and technical expertise sharing opportunities and develop action plans/strategies for implementation.	\$35,680
Western Australia total			\$329,180

Table J.5: Local Government Incentive Programme projects funded in South Australia in 2000–01

Project title	Organisation	Project Description	Funding
Community Connect (Regional Yorke Peninsula)	Yorke Peninsula Community Care	Share resources to support a collaborative home and community care/home assist programme. Provide a comprehensive regional directory. Build a volunteer resource centre programme with a web page and a 1800 number.	\$71,000
Enhancing local government participation in planning, coordination and delivery of services – State–Local Government Partnerships Programme	Joint South Australia Office of Local Government/ Local Government Association of South Australia	As part of the third phase of local government reforms currently under way in South Australia, address local government functional reform.	\$100,000
Implementation of regional positioning of the Upper Spencer Gulf to become investment ready	Northern Regional Development Board on behalf of Upper Spencer Gulf Common Purpose Group	Implement the regional promotion section of the Upper Spencer Gulf Common Purpose Group Strategic Plan.	\$75,000
Central Eyre Peninsula economic strategies coordinator	District Council of Kimba	Share expertise and resources by employing one officer for four mainly large isolated rural councils for community consultation, planning and economic development.	\$96,000
One-stop strategic planning system	Corporation of the City of Whyalla	Develop a simple best practice database to help small councils undertake strategic planning duties under the South Australian Local Government Act.	\$90,000
South Australia total			\$382,000

Table J.6: Local Government Incentive Programme projects funded in Tasmania in 2000–01

Project title	Organisation	Project Description	Funding
Key performance indicators (KPI) framework for Tasmanian Local Government	Local Government Division – Department of Premier and Cabinet	Continue and implement a key performance indicator framework for Tasmanian local government. Collect, analyse and publish performance data.	\$50,000
Development and implementation of an economic development strategy for North East Tasmania	Launceston City Council	Develop and implement an economic development strategy that covers North East Tasmania.	\$95,000
Integration of council workforces/ associated resources	Burnie City Council and Waratah–Wynyard Council	Undertake an assessment of the practicalities, cost efficiencies and service delivery benefits of integrating the respective 'outdoor' workforces and associated resources of the adjoining Burnie City Council and the Waratah–Wynyard Council.	\$100,000
Tasmania total			\$245,000

Table J.7: Local Government Incentive Programme projects funded in the Northern Territory in 2000–01

Project title	Organisation	Project Description	Funding
Miwatj Region – road management system for councils	Galiwinku Community Government Council Inc.	Help councils develop a road asset management system.	\$100,000
Strategic information plan for an integrated Tiwi Assembly	Pirlangimpi Community Government Council	Progress recommendations of the Tiwi Strategic Information Plan to provide efficient information technology, communications and record management for the newly integrated Tiwi Assembly.	\$100,000
Western Macdonnell's regional tourism development plan	Ntaria Council (Hermannsberg)	Develop a suite of tourism enterprises to attract increased visitor numbers to the region.	\$84,300
Northern Territory total			\$284,300

Table J.8: Commonwealth commissioned Local Government Incentive Programme projects funded in 2000–01

Project title	Organisation	Project Description	Funding
National regional benchmarking system	Australian Local Government Association	Establish a national regional benchmarking system, based on key performance indicators for regions. Develop a national system of socioeconomic benchmarking of regions to identify 'less developed' regions and establish eligibility for development assistance.	\$100,000
Online officer network	Local Government Managers Australia (formerly the Institute of Municipal Management)	Extend the Association's existing website to enable local government officers access to information about best practice.	\$44,200
Guidelines on hillside development	Local Government Ministers' Conference Activities Fund	Federal Government contribution to a project by Institute of Public Works Engineering Australia to establish landslip standards for urban planning.	\$46,200
Northern Australian projects	Northern Australian Forum	Provide funding to support Northern Australian Forum projects.	\$100,000
Assisting local government	Active Australia	Sponsor Active Australia projects.	\$15,000
Professional development for local government officials and elected members	Australian Local Government Association	Provide professional development and training for officials and elected members in all States through their respective local government associations.	\$404,500
Commonwealth commissioned projects total			\$1,114,900

APPENDIX K

NATIONAL AWARDS FOR INNOVATION IN LOCAL GOVERNMENT REPORT

The National Awards for Innovation in Local Government foster and acknowledge innovation and leading practice in local government. The awards identify and reward local government bodies, associations and other collaborating organisations who are developing and implementing innovative, resourceful practices that improve local government outcomes and help build sustainable Australian communities. The Department of Transport and Regional Services administers the National Awards for Innovation in Local Government.

The Department also disseminates information about the award winners and their innovative practices throughout local government in Australia to demonstrate new ways of doing business and facilitate adoption of leading practice.

The 2001 awards attracted 294 entries, including 60 rural entries, from 160 local government organisations around Australia.

2001 award categories and sponsors included:

- Business and regional development – sponsored by Rural Transaction Centre Programme, Federal Department of Transport and Regional Services;
- Community services – sponsored by the Federal Department of Family and Community Services;
- Engineering and infrastructure – sponsored by Ansett Australia;
- Health services and aged care – sponsored by the Federal Department of Health and Aged Care;
- Information technology – sponsored by Business Entry Point;
- Organisational practices – sponsored by the Federal Department of Transport and Regional Services;
- Planning and urban design – sponsored by the Federal Department of Transport and Regional Services;
- Sustaining local communities – Local Agenda 21 (LA21) – sponsored by Environment Australia;
- Youth services – sponsored by the Youth Bureau, Federal Department of Education Training and Youth Affairs;
- International Year of Volunteers – sponsored by Federal Department of Family and Community Services; and

- Strengthening rural/remote communities – sponsored by Federal Department of Family and Community Services.

The International Year of Volunteers, Strengthening rural/remote communities and Sustaining local communities – LA21 are new categories, introduced in 2001.

A panel with representatives from the category sponsors, the Department of Transport and Regional Services, the Institute of Municipal Management, the Australian Local Government Association, and an industry expert, judges each category. Each Federal Department that sponsors an award receives a copy of all relevant entries to ensure they consider local government leading practice and new ways of doing business. The panels then forward the best entries and best rural entries to the national judging panel, which decides the national and rural awards. The national judging panel comprises representatives of local government, industry and the Federal Government.

Winners are announced at a national awards presentation ceremony. The national award recognises the entry judged the most innovative overall. The rural award recognises the special challenges facing rural councils and is awarded to the entry judged most innovative of all rural entries received.

Applications are sought each year in May and close in July. In 2000–01, a series of seminars was organised to enable 1999 and 2000 award winners to present their innovative projects to local councils throughout Australia.

Information on the 2000 category award winners and commended entries follows. Contact details for each winning council are also provided.

The National Award winner in 2001 is the City of Casey in Victoria with its project 'Skills for the Future – a Partnership Between the City of Casey Council, Motorola, the Victorian Department

of Education and Employment and Training, and local schools'. The Rural winner for 2001 is Coorong District Council with its 'Coorong Communication Project'.

Business and regional development

Category sponsor

Rural Transaction Centre Programme, Federal Department of Transport and Regional Services

Category winner and National Award Winner

Skills for the Future – A partnership between the City of Casey, Motorola, the Victorian Department of Education and Employment and Training and local schools

Organisation City of Casey, Victoria
Contact Mr Halvard Dalheim
Telephone (03) 9705 5200
Fax (03) 9704 9544
Email hdalheim@casey.vic.gov.au

To create long-term employment opportunities, the City of Casey is pioneering a programme to develop information technology and telecommunications skills among the young. The Information, Communications and Electronics (ICE) initiative is the result of a partnership between Casey Council, Motorola, the Victorian Department of Education and Employment Training and local schools. ICE is designed to increase the number of students with information technology and telecommunications skills, and so improve their career choices and long-term employment prospects. The City of Casey has supported Motorola in developing and implemented three ICE courses. ICE benefits will be obvious in three to five years, when tertiary graduates who have passed through the programmes enter the information technology and telecommunications industry with solid job prospects.

Rural winner

Ophir Gold 2000 – Our Olympic Dream

Organisation Cabonne, Orange and Blayney Councils, New South Wales

Contact Mr Graeme Fleming

Telephone (02) 6392 3200

Fax (02) 6392 3260

Email graeme.fleming@cabonne.nsw.gov.au

Using the fact that Australia's first payable gold discovery took place at Summer Hill Creek, Ophir (near Orange), in 1851, the Orange, Cabonne and Blayney group of councils decided to provide gold for the Olympic medals and to capitalise on this to promote the area. A detailed marketing plan was adopted which involved the community, councils, small business and the corporate sector. Leveraging off support from such key agencies as the Sydney Organising Committee for the Olympic Games, the Australian Olympic Committee and New South Wales Tourism, this promotion should provide continuing opportunities for promotion, tourism and economic development.

Community services

Category sponsor

Federal Department of Family and Community Services

Category winner

Wyndham Household Panel

Organisation Windham City Council, Victoria

Contact Ms Emma Williams

Telephone (03) 9742 0776

Fax (03) 9742 0742

Email Emma.Williams@wyndham.vic.gov.au

Wyndham City Council developed a Household Panel of more than 400 households matched to the municipality, both demographically and in their attitudes. Participants were initially recruited through random selection and asked questions on

a variety of key issues. Targeted recruiting supplemented this process. Only those who wanted to participate further were invited to join the panel, which is surveyed every four to six weeks. This gives richer and more reliable results than conventional consultations and/or surveys. Information from each subsequent consultation is added to a growing database, allowing council to track changes from year to year, both in attitudes and in lifestyle, and incorporate them into organisational planning.

Rural winner

Native Title Audit and Officer

Organisation Shire of Broome, Western Australia

Contact Mr Greg Powell

Telephone (08) 9191 3456

Fax (08) 9191 3455

Email ceo@broome.wa.gov.au

The Shire of Broome is the first local government authority in Australia to conduct native title training and develop and adopt a Native Title Audit. The audit recommended that council appoint a Native Title Officer to ensure compliance with the requirements of the Native Title Act, address Aboriginal heritage, implement the recommendations of the Native Title Audit and address other Aboriginal issues. The position is fully funded by the Shire and provides an effective use of resources towards reconciliation in Broome. The officer's role incorporates a wide range of effective strategies to ensure native title issues are addressed in a culturally appropriate manner.

Commendation

FARM (Fatalities and Accidents on Rural Main roads)

Organisation Penrith City Council,
New South Wales
Contact Ms Cathy Edwards
Telephone (02) 4732 7735
Fax (02) 4732 7879
Email pencit@penrithcity.nsw.gov.au

The FARM *One Hit, That's It* road safety programme aims to reduce the number of fatalities and serious injury accidents on rural main roads in the area. The confronting storybook roadside signs, heavy vehicle billboards, community displays, competitions, forums, police enforcement and local media coverage which have saturated the driving community with location-based road safety messages have resulted in reduced speeds and fewer fatalities.

Engineering and infrastructure

Category sponsor

Ansett Australia

Category and rural winner

Krata Shaka Road Rehabilitation Innovation

Organisation Towong Shire Council, Victoria
Contact Mr David Parker
Telephone (02) 6071 2999
Fax (02) 6071 2747
Email davidp@towong.vic.gov.au

The new process, which was developed by local staff and small businesses at a minimal cost, uses the principle of shaking road patching material to be distributed. Krata Shaka eliminates the manual handling of binder materials creating a more cost-effective method for small road repairs. The technique uses a towable unit controlled from a towing vehicle, which can transport up to one tonne of materials. Accurate delivery of material to a depth of 10mm at

a pre-determined speed is attractive to work crews, construction groups and plant hirers. The innovation has potential for local and international commercial development.

Commendation

Ground-penetrating radar measurement of gravel road pavement depths

Organisation Shire of Campaspe, Victoria
Contact Mr Ralph Kop
Telephone (03) 5481 2242
Fax (03) 5481 2290
Email rkop.shire@campaspe.vic.gov.au

The Shire of Campaspe, in conjunction with the Australia Road Research Board, has used ground-penetrating radar to determine the depths of its gravel road pavements. The results over a test 100 kilometres were accurate to plus or minus 15 per cent. This data will enable Campaspe Shire to accurately determine the rate of loss of gravel due to traffic maintenance practices and environmental factors and the level of funds that should be expended to maintain the road network.

Commendation

Cotton onto this!

Organisation Shire of Narrabri,
New South Wales
Contact Mr Peter Hain
Telephone (02) 6799 6877
Fax (02) 6799 6888
Email peterh@narrabri.nsw.gov.au

Narrabri Shire Council has recently completed the \$9.6 million Narrabri Sewerage System Augmentation Project, which upgrades existing sewerage transportation, treatment, and effluent disposal processes. The project includes a beneficial re-use scheme, purpose-designed to end effluent discharges into the upper reaches of the Murray–Darling river system. The beneficial re-use scheme is a commercial

300 hectare irrigated cotton farm, named Federation Farm, which is operated by the Narrabri Community Education Fund Ltd. The fund is a conglomerate of all public and independent Narrabri schools formed to be a self-funded sharefarmer that provides an interactive educational facility.

Health services and aged care

Category sponsor

Federal Department of Health and Aged Care

Joint category winner

Lane Cove Community Men's Shed

Organisation Lane Cove Council,
New South Wales
Contact Mr Peter Brown
Telephone (02) 9911 3590
Fax (02) 9911 3600
Email pbrown@lanecove.nsw.gov.au

The Lane Cove Community Men's Shed was set up with the aim of enhancing the wellbeing, health and quality of life of older men by providing them with activities to do with people who have common interests. The shed operates on a peer-support model, where men with more ability help others to learn handicraft skills. By working together they are able to produce items of a high standard. Some of the items produced are donated to toy libraries and hospitals, while others are sold on street stalls to enable the shed to operate at no cost to participants.

Joint category winner

Mental Health Project

Organisation City of Prospect, South Australia
Contact Mr Kevin Sharp
Telephone (08) 8344 5454
Fax (08) 8342 2171
Email kevin@prospect.sa.gov.au

The City of Prospect employed a part-time Mental Health Project Officer to coordinate this project. It targeted both mental health sufferers and the wider community, to provide opportunities to develop and maintain community networks, to increase the sense of belonging to the community for those with mental health issues, and to reduce the stigma surrounding mental illness. Local government is well placed to conduct such a project, because councils have the infrastructure and networks on which to build, and lack the stigma often associated with mental health services and organisations. In a 12-month period, 414 people took part in a wide range of programmes for local residents, providing positive outcomes for the community.

Rural winner

Integrated Aged Care Services for the Clarence Valley

Organisation Maclean Shire Council,
NewSouth Wales
Contact Ms Ashley Lindsay
Telephone (02) 6645 2266
Fax (02) 6645 3552
Email alindsay@msc.nsw.com.au

Maclean Shire Council's Community Services Project brings together a number of aged-care services within one organisation – Aged Care Packages, Community Options services and Meals on Wheels are all under council auspices. Funding is provided by State and Federal sources, with council contributing specialist services and staff. Having these services in one organisation has several advantages. First, it reduces overheads and gives an opportunity for savings to be channelled into additional client services. Second, it has made the services available to all clients in the Clarence Valley, urban and rural alike. Third, it gives access to such specialist council services as information technology, human resources, insurance, property, document preparation and

financial services at minimal cost. The project also provides direct and indirect employment for more than 80 residents.

Commendation

Aboriginal Environmental Health Strategy

Organisation Shire of Ashburton
Contact Ms Kerry Kapel
Telephone (08) 9189 1029
Fax (08) 9189 2252
Email kerry.kapel@ashburton.wa.gov.au

The Shire of Ashburton's Aboriginal Environmental Health Strategy was developed as a unique document. It records up-to-date community statistics and identifies service providers in order to identify deficiencies and avoid duplicating services. In addition, it outlines specific programmes and intentions, providing a vital blueprint for council to work from now, and to build on and react to dynamically in the future.

Information technology

Category sponsor

Business Entry Point

Category winner

Video Property Mapping: A new national benchmark for property data collection

Organisation City of Whittlesea, Victoria
Contact Ms Tracey Willmott
Telephone (03) 9217 2366
Fax (03) 9217 2399
Email tzw@whittlesea.vic.gov.au

The City of Whittlesea has implemented a Video Property Mapping system to provide higher quality, accurate property data at a fraction of current cost. The system effectively uses the synergy between advanced mobile video technology, a street sweeper and the global positioning system to record and locate multiple

video images of properties in the municipality. The system has produced records for 95 per cent of residential properties in the municipality (compared with the previous sample of 20 per cent) and provides updated information every 52 days. This data has led to more accurate property valuations and rate assessments.

Organisational practices

Category sponsor

Federal Department of Transport and Regional Services

Category winner

Community Connections

Organisation City of Joondalup, Western Australia
Contact Ms Kim Low
Telephone (08) 9400 4951
Fax (08) 9400 4950
Email kim.low@joondalup.wa.gov.au

Community Connections is a community-awareness and education initiative through which the City of Joondalup aims to unite communities by sharing resources and fostering respect for shared social, civic and environmental rights and responsibilities. The three main objectives of the project are to increase awareness of issues affecting community lifestyle, to increase awareness of the role and functions of local government, and to encourage greater participation in Community Connections so as to promote awareness of shared rights and responsibilities.

Rural winner

Tractor/Mill Stabilising Unit

Organisation Wellington Council, New South Wales
Contact Mr Andrew Bruggy
Telephone (02) 6845 2099
Fax (02) 6845 3354
Email andrew.bruggy@wellington.nsw.gov.au

Wellington Council historically carried out heavy patching by replacing the failed section of roadway with select natural gravel, but this imposes financial and – considering the impact of quarrying for natural gravel – environmental costs on the industry. Challenged to reduce both the costs of heavy patching and the amount of gravel being used, the project team took an innovative approach to using plant for in situ stabilisation technology by purchasing a tractor/mill combination. Council not only has reduced the costs of heavy patching by some 50 per cent but has hired the machine out to surrounding councils.

Commendation

Making the Difference to Worker Wellbeing – Implementing a Proactive Health and Safety System in a Difficult Work Environment

Organisation Manningham City Council, Victoria
Contact Ms Keri Kennealy
Telephone (03) 9841 5044
Fax (03) 9841 5012
Email keri.kennealy@manningham.vic.gov.au

The Community Consultation Framework aims to ensure that the people of Warringah are consulted appropriately about all issues, plans or strategies that might affect them, directly or indirectly, and also to ensure that suitable, consistent consultation is identified and undertaken on all projects. The framework has four components:

- Community Consultation Policy – guides the principles to be adopted in all consultations;
- Community Consultation Strategy – includes an action plan to improve council’s approach to consultation;
- Community Consultation Matrix – provides a framework for staff to determine the likely impact of a situation or issue, and gives

guidance to the most appropriate means of consultation;

- Community Consultation Toolkit – offers staff a resource that outlines key methods of consultation.

The extensive involvement of staff in developing the framework has ensured its components are not only relevant to council but allow staff the flexibility to use innovative methods in community consultations.

Commendation

Partnership in Waste Reduction – Johnstone Shire Council’s Community Composting Programme

Organisation Johnstone Shire Council, Queensland
Contact Mr John Dearlove
Telephone (07) 4030 2264
Fax (07) 4030 2269
Email dearlovej@jsc.qld.gov.au

As one of several Waste Management Strategy initiatives, Johnstone Shire Council has embarked on a composting programme that aims to achieve 40 per cent community participation.

Council began by calling for 150 volunteers for a trial using a variety of commercially available compost bins and assessing the results for waste reduction and bin suitability. Council then had a bin designed locally, using recycled materials, for a large-scale composting programme covering a range of premises, from households and commercial premises to institutions.

Community support is evident – 1,000 households are involved after the first year and some 400 are on the waiting list for the coming year. The target is to have 3,000 households involved after four years, from a total of some 7,500 premises.

Planning and urban design

Category sponsor

Federal Department of Transport and Regional Services

Category winner

Protecting and enhancing vegetation in an urban municipality

Organisation Banyule City Council, Victoria
Contact Ms Vivien Williamson
Telephone (03) 9457 9827
Fax (03) 9457 4690
Email vivien.williamson@banyule.vic.gov.au

Banyule municipality has developed a comprehensive approach to protecting vegetation through the Banyule Planning Scheme. It is encouraging the planting of appropriate vegetation through its Wildlife Corridor Programme, and advising members of the community, based on vegetation community mapping.

Commendation

Growth Strategy 2030 – An integrated approach to sustainable urban growth

Organisation Griffith City Council
Contact Mr Satwinder Sandhu
Telephone (02) 6962 8149
Fax (02) 6964 4368
Email Satwinder.Sandhu@griffith.nsw.gov.au

Griffith City's Growth Strategy 2030 combines long-term land use, infrastructure and financial plans in a single project aimed at ensuring that urban growth is sustainable in the long term. The project was initiated at a time when Griffith was faced with rapid growth but there were few long-term plans.

The project aimed to answer three fundamental questions: where should the city grow? what infrastructure is required to support that growth? and who would pay for these services? Three

project outputs corresponding to these questions were: a 30-year land use/zoning strategy, a long-term infrastructure plan, and a long-term financial model. A 30-year time horizon was chosen because it was needed to cover the life cycle of major infrastructure items, such as sewerage treatment works.

Commendation

Telecommunications Network Strategy (high impact facilities)

Organisation City of Melville, Western Australia
Contact Mr Craig McClure
Telephone (08) 9364 0677
Fax (08) 9364 0285
Email cmclure@Melville.wa.gov.au

The City of Melville has developed an innovative strategy aimed at overcoming problems associated with the ad hoc approach to assessing applications for telecommunications infrastructure facilities, and assures residents that design, location and perceived health issues are considered by the city.

A planning process was established by a team that included telecommunication company representatives, an independent town planning consultant and design, health and technical advisers. The process means that carriers will co-locate equipment in a single facility, so reducing the number of towers.

Telephone towers can also provide the community with such infrastructure benefits as viewing platforms in elevated locations, street lighting and sign-posting, while their design will reflect the surrounding location, perhaps including heritage styles near historic buildings. The use of new locations will see existing unsatisfactory towers removed and provide residents with 300 metre to 500 metre buffers.

Sustaining local communities – LA21

Category sponsor

Environment Australia

Category winner

Strategic Indicators Project

Organisation City of Onkaparinga,
South Australia

Contact Ms Lisa Florian

Telephone (08) 8384 0562

Fax (08) 8384 0713

Email lisflo@onkaparinga.sa.gov.au

The Strategic Indicators Project, sponsored and hosted by the City of Onkaparinga on behalf of South Australian councils addresses ways of tracking progress towards strategic directions or community-wide goals. The project's outcomes were guided by a 'sharing the journey' strategy which involved a network of 32 participating councils and 17 other agencies. It aimed to provide policy- and decision-makers with information on monitoring trends associated with strategic directions for a locality or region.

The indicators were designed to provide a systematic means of monitoring, reviewing and communicating progress towards community-wide goals, promote sustainability indicators and, in particular, prompt the development of measures and identify data sources for these goals. The indicators were also designed to add value to the strategic planning process by improving reporting, which in turn enables communities to align projects with larger objectives, and to strengthen links between long-term goals and operational planning, services and programmes.

Rural winner

Environmental Management in the Coorong District Council Area

Organisation Coorong District Council,
South Australia

Contact Mr Graham Gates

Telephone (08) 8575 1008

Fax (08) 8575 1516

Email ggates@coorong.sa.gov.au

Coorong District Council was one of the first councils in Australia to fully incorporate the environment into its Strategic and Development Plans, as well as implementing a Local Action Plan to address the area's natural resource management issues. The council considers natural resource management as core business because council's rate base depends on land values. Council assets, such as public buildings, roads, parks and roadside vegetation, are directly threatened by environmental degradation.

The Local Action Plan was initiated in 1997, backed by Natural Heritage Trust funding. Some 50,000 ha of works, particularly on dryland salinity, have been completed in the first five years. The community has embraced the plan, with more than two-thirds of landholders playing an active part in the programme. The council has been a pioneer in developing inland aquaculture using saline groundwater, demonstrating the potential of a viable aquaculture industry as well as improving the environment by alleviating rising water tables.

Commendation

Strategy for sustainability: Manly's LA21 Programme

Organisation Manly City Council,
New South Wales

Contact Mr Jim Hunter

Telephone (02) 9976 1556

Fax (02) 9976 1400

Email jim.hunter@manlycouncil.nsw.gov.au

The Manly Conservation Strategy 1998 is a 10-year plan developed with the community to integrate the Ecologically Sustainable Development requirements of the New South Wales Local Government Act and to address the international agreement of Local Agenda 21 (LA21). Of the 334 actions to be implemented over 10 years, staff have begun 132 and completed 85 – a total of 217 actions implemented by April 2001.

The programme's success is attributed to several key elements, integration, accountability, expert knowledge and continuing community involvement, education of council staff and the community, creating continual cultural change, and funding through council's environment levy. A comprehensive monitoring and reporting system is important and the LA21 Strategy is under review by the community during 2001.

Commendation

Destination Subiaco – Driving the Change: strategic solutions for sustainable local transport

Organisation City of Subiaco, Western Australia
Contact Mr Geoff Glass
Telephone (08) 9237 9230
Fax (08) 9237 9200
Email geoffg@subiaco.wa.gov.au

In inner-city Subiaco, 91 per cent of residents are very concerned about the traffic impact likely to be caused by escalating development and the proximity of large-scale public facilities. Subiaco City Council has responded by implementing an ambitious, innovative strategy to change the travel behaviour of its community by promoting public transport and other safe alternatives. The Subiaco solution has brought together a range of stakeholders to tackle the problem with infrastructure, planning and policy initiatives designed to realise its vision for a cleaner, safer community. Project highlights include establishing Perth's first intra-suburban bus service and an outstandingly successful campaign

to reduce traffic and parking congestion during sporting events at Subiaco Oval.

Youth services

Category sponsor

Youth Bureau, Federal Department of Education and Youth Affairs

Category winner

SPINACH – City of Adelaide website for young people

Organisation City of Adelaide
Contact Ms Mandy Smith
Telephone (08) 8203 7713
Fax (08) 8203 7554
Email m.smith@adelaide.sa.gov.au

SPINACH is believed to be the first stand-alone youth website produced by any local government authority in Australia. The site has proved to be an exciting and successful way to provide information to young people on facilities, services, activities and programmes in the city and to involve young people in council activities.

Young people are involved in developing and promoting the SPINACH website to ensure it remains dynamic and interesting. Special features have been incorporated to ensure the site is relevant to the young, among them a web cam that allows the young people to view the conditions of the City Skate Park and a virtual gallery where people can display their artwork, poems and stories. New features are constantly being developed and added.

Commendation

From Vision to Reality: Youth participation in Delatite

Organisation Delatite Shire Council, Victoria
Contact Ms Kaylene Conrick
Telephone (03) 5760 2600
Fax (03) 5762 5537
Email delatite_shire@dsc.mav.asn.au

Young people in Delatite articulated their needs and vision at a Youth Forum in May 1999. Almost all of the 80 young people attending said they could not see themselves living in the Delatite Shire in five years. In response, the council established two E-café's which are essentially Internet businesses. Their purpose is to meet an identified rural need for better access to information technology managed by young people for the broader community, placing them at the centre of economic activity.

The E-café concept – E stands for enterprise, endeavour, employment and empowerment – was developed by young people with council and the broader community. It is underpinned by the basic principle that young people are valued citizens who are essential to the long-term viability of regional and rural communities. The two café's, one in Mansfield and one in Benalla have developed into a framework which is guiding council's approach to ensuring that the young are at the centre of decision-making.

International Year of Volunteers

Category sponsor

Federal Department of Family and Community Services

Category winner

Mosman Volunteers

Organisation Mosman Municipal Council,
Mosman Volunteers,
New South Wales

Contact Ms Liz Nagel

Telephone (02) 9978 4089

Fax (02) 9978 4137

Email l.nagel@mosman.nsw.gov.au

The objectives of council's Volunteer Programme are to ensure that its volunteers are supported, trained, recognised and valued as an indispensable community asset; to provide opportunities for roles that use a volunteer's skills and talents; and

to promote volunteering as an enriching experience for all ages. The purpose is to have enthusiastic, reliable, competent and flexible volunteers with a range of skills and abilities and from a range of age groups who are able to help meet community needs.

Council's Management Plan, MOSPLAN, has a range of strategies, referred to as 'Statements of Means', that are designed to achieve the objectives. Council's two volunteer coordinating staff manage the Volunteer Programme and liaise with the council officers responsible for volunteer teams in such areas as bush care, meals on wheels and the home library service. This ensures that policies and procedures to recruit, select, place, train, support and recognise volunteers are implemented consistently. Monitoring the programme, evaluating its performance and identifying possible improvements occur as part of council's annual management plan reviews.

Commendation

Volunteering Across Casey

Organisation Casey City Council, Victoria

Contact Ms Jennie Lee

Telephone (03) 9705 5200

Fax (03) 9704 9544

Email jlee@casey.vic.gov.au

Volunteering Across Casey is a programme launched by the City of Casey to celebrate the 2001 International Year of Volunteers. It is the first local government programme of its kind in Australia, and brings together four key initiatives with the common objective to 'promote and maximise volunteering in our developing community and, with this, help foster a greater sense of community spirit'.

The four key initiatives of Volunteering Across Casey are: the Corporate Volunteering Programme; the Community Training and Development Programme; the Volunteer Matching Programme; and the Community

Volunteer Award Programme and Community Volunteer Thankyou Function. The initiatives complement each other by raising awareness of the valuable work volunteers do, by encouraging people to volunteer, and by addressing such social issues as isolation, residents' sense of belonging and personal growth within the community.

Strengthening rural/ remote communities

Category sponsor

Federal Department of Family and
Community Services

Category award and National Rural Award Winner

Coorong Communication Project

Organisation Coorong District Council,
South Australia

Contact Mrs Rhona Parker-Benton

Telephone (08) 8575 1008

Fax (08) 8575 1516

Email rhona@coorong.sa.gov.au

The Coorong Communication Project has led to development of the first reported community-based alternative regional telecommunications network. This pilot project for rural and regional Australia involved building alternative telecommunications infrastructure, including microwave towers, and using Voice over Internet Protocol (VoIP) technology to deliver the project outcomes. This has been achieved through a collaborative partnership with Agile Communications.

The project has achieved telecommunications savings of 35–58 per cent for community and business customers, a reduction of council's telecommunications costs by almost 50 per cent, and improved customer service through the capacity to offer local call access to council offices for the community via a new PABX. It has also

enhanced access to bandwidth for data services at a wholesale level, thus supporting the local Internet service provider and other large data users. It has increased affordability and accessibility of data bandwidth for all customers in an area which extends from Keith, in south-east South Australia, to Gawler, north of Adelaide.

Commendation

Cobb & Co Changing Station Complex

Organisation Warroo Shire, Queensland

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In 1996, the town of Surat was dying. Today, it is busy, attractive and thriving. There are new businesses, existing businesses are growing and the population has increased by 20 per cent. The council's decision to work in partnership with the local development association to create a major cultural tourism complex including a museum, art gallery, library, and 25,000 litre inland fish aquarium, was the catalyst for renewed community pride and economic interest in Surat. This project was a joint venture between council, the Surat and District Development Association and the community of Surat and surrounding region.

APPENDIX L

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APPENDIX M

STATISTICS AND MAPS

Local government statistics

Review of local government statistical arrangements

In early 2001 the Australian Bureau of Statistics carried out a review of local government statistical arrangements. It found there is continuing demand from local government authorities for unit record statistical information on a wide range of financial and non-financial issues. This includes data required for determination of Commonwealth funding under the *Local Government (Financial Assistance) Act 1995*, for presentation of performance and other comparative indicators and other decision-making purposes.

The Australian Bureau of Statistics consulted a range of local governments (including one Indigenous Community Government Council), Commonwealth, State and Territory Government agencies responsible for local government; local government grants commissions and Australian and Local Government Associations.

The Bureau found that local government in Australia is significant in terms of its role in three areas, that is, as a:

- provider of data to the Bureau and other official bodies;
- user of services provided by the Bureau; and
- potential source of additional data – particularly at the regional level.

In addition, as a result of this review, the Bureau found that many councils also perform an additional significant role, as intermediaries in servicing the statistical information needs of the local community. This role included providing data to residents, ratepayers, local businesses, community groups, service delivery organisations and local offices/officers of state government agencies as well as prospective tourists and other visitors, investors, funding agencies, developers and new businesses looking to establish in the council's area.

Australian Bureau of Statistics review of local government statistics findings

The report on the review made several recommendations. They included recommending that the Bureau examine options for coordinating and/or reducing data collections from local government and, in consultation with councils, determine a package of data and services (possibly including relevant training) to be provided on a whole-of-local-government-sector basis.

In addition, the Bureau found that currently there are no detailed national standards for presenting and reporting local government financial statements. The Bureau found the current Australian Accounting Standard for Local Authorities (AAS27) only meets general requirements and not the data requirements for the Bureau and most local government grants commissions. The Bureau identified shortcomings in the important areas of local roads revenue and expenditure, environmental expenditure and expenditure on a wide range of local government specific functions. The report recommended that a national standard for reporting local government finance statistics consistent with international and Australian user requirements be developed with the support of all jurisdictions.

The Bureau found that National Competition Policy and outsourcing of council functions raises some confidentiality issues for the release of local government unit record information for the Bureau.

The Bureau also found that the Government Purpose Classification used in the Local Government Finance Statistics collection could be reviewed and revised to more clearly reflect the primary functions and activities of local government. The Bureau found there is, in particular, scope to enhance the classification in terms of environmental reporting categories.

Statistics for local government

Local government has a high demand for statistical information to meet the needs of local community. Data is required for residents, ratepayers, local businesses, community groups, service delivery organisations and local offices/officers of state government agencies as well as prospective tourists and other visitors, investors, funding agencies, developers and new businesses. Statistical information that can assist councils make better informed decisions include:

- ‘Your Place’ database
- State of the Regions Report
- Rural and Regional Statistics National Centre

‘Your Place’ database

‘Your Place’ is one database that councils can use as a diagnostic tool to plan their future. The National Institute of Economic and Industry Research developed ‘Your Place’ in partnership with the Australian Local Government Association. The data can help councils and communities identify specific locations and assess performance against areas with similar characteristics. The local government areas are ranked according to their performance and capabilities. Indicators are built around the dimensions of household characteristics, industry, regional infrastructure and local attributes that underpin development. Councils can compare their local government area with their neighbours, with local government areas with a similar growth

rate or with other local government areas that have a similar industrial base. For example, the household dimension has sub-indices measuring demography, wealth, income and labour force status. For more details visit the 'Your Place' website at <http://www.your-place.net>

State of the Regions Report

The State of the Regions Report has been prepared for the Australian Local Government Association for the past three years by the National Institute of Economic and Industry Research. It details the major trends and challenges for Australian urban and rural regions.

The report divides Australia into 57 regions and examines factors influencing the performance, like population, growth, aging, income and debt. It concludes good Australian economic performance has been of most benefit to cities and large provincial centres. In the 2000 State of the Regions Report, a number of new indicators were introduced, which included: corrected unemployment rates; gross regional product; regional labour productivity; regional household savings ratios; and indicators for assessing the strengths and weaknesses of industry supply chains. The 2000 Report addressed the implications of e-commerce and financial flows in the economy, while regional development policy design focused on how to build world best practice with a case study of the Republic of Ireland. In terms of business-to-household e-commerce, the report showed a direct reduction of employment in Australia by 1 per cent to 2 per cent in the rural and provincial regions, and around 3 per cent in the Metro Core regions.

Rural and Regional Statistics National Centre

The Rural and Regional Statistics National Centre (the Centre) was established under the Australian Bureau of Statistics in its Adelaide Office, and has been operational since 1 July

2001. The Centre produces and disseminates data that will help policy analysts and researchers study the underlying causes of change across rural, regional and remote areas of Australia. The Centre will be seeking access to relevant datasets administered by Commonwealth Government agencies and coordinating Australian Bureau of Statistics small area data initiatives to help develop new economic, environmental and social indicators relevant to regional studies and analyses.

The Centre's activities include:

- Producing short report series, to provide an overview of a topic of particular relevance to regional issues together with some analysis of data (both Australian Bureau of Statistics and non-Australian Bureau of Statistics). The reports will promote the range of statistical data already available and show how these data can be used for regional analyses.
- Developing comparable information on the characteristics of regional and remote communities across Australia – a minimum dataset of key variables will be developed which will allow valid comparisons to be made between any regions of Australia.
- Collecting new administrative data through investigation of the suitability of Commonwealth Government agency datasets for use in generating regional statistics is a high priority.
- Regional data dissemination – the Centre will work toward increasing the breadth and quality of data available on the Integrated Regional Database (the Australian Bureau of Statistics' primary vehicle for disseminating regional Australian Bureau of Statistics and non-Australian Bureau of Statistics data).

Already, in each Australian Bureau of Statistics Office, the Regional Statistics Units have been collecting regional data. The focus of the Units has been to develop regional indicators

at sub-State level in their respective States particularly through the use of government administrative data sources. The Units also service the needs of local users of regional statistics. They will continue to disseminate new information via their well-established annual compendium publications and regional profiles series.

The Rural and Regional Statistics National Centre and the Regional Statistics Units will undertake collaborative projects where appropriate.

Regional data collected within States provide information on key social and economic variables for specific regions. These include demographic status and economic indicators and social indicators. Currently data are available for 1999 and 2000, and are collected in statistical division, statistical subdivision and statistical local area. The statistical divisions are intended to represent regions, which are characterised by discernible social and/or economic links between the inhabitants and the economic units within them under one or more major cities/ towns. Statistical local area is based on the administrative areas of local government. This area is equivalent to a whole government area except where there is statistical imperative to split the local government area into smaller areas. To date, South Australia is the only State, which provides a time series assessment of trends over time and area comparison indicators with other regions.

Some Australian Bureau of Statistics regional statistics products that may be of assistance to councils include the Integrated Regional Data Base; the Index of Relative Socioeconomic Disadvantage; and the Access/Remoteness Index for Australia.

Integrated Regional Data Base

The Australian Bureau of Statistics developed the Integrated Regional Data Base (IRDB) which provides a wide range of social, economic and environmental data for regional areas of Australia

dating back to 1986. In particular, this database provides data at the Statistical Local Area (based on administrative areas of local government). Councils are able to use this data for a range of research applications, such as urban planning infrastructure needs; policy and planning proposals; employment trends analysis; comparative analysis between councils; developing regional business profiles; providing information for broad or specific regional demographic analysis; and identifying trends in regional agricultural production. IRDB also provides information on local government finance. For more details on IRDB, visit the website <http://www.abs.gov.au> under 'products and services'.

Index of Relative Socioeconomic Disadvantage

The Australian Bureau of Statistics has developed various indexes to describe the socioeconomic status of populations living in different geographic areas. The Index of Relative Socioeconomic Disadvantage is one measure, which incorporates a wide range of information from the 1996 census. In particular, the 1996 census was used to identify areas with relatively high proportions of people, which have characteristics associated with low socioeconomic status. The index was constructed for census collection districts, which are usually clusters of approximately 200–250 dwellings. This is an area that one census collector can cover for the distribution and collection of census forms. Districts with the greatest relative disadvantage typically have high proportions of low-income families, unemployed people, people without educational qualifications, household renting from public housing and people in unskilled or semiskilled occupations. Conversely, the least disadvantaged areas tend to have higher proportions of high-income earners, professional workers and more highly qualified people, as well as low unemployment rates.

Access/Remoteness Index for Australia

The Access/Remoteness Index for Australia (ARIA) measures remoteness in terms of access along a road network from 11,340 populated localities to four categories of service centres. The Federal Department of Health and Aged Care, in conjunction with the National Key Centre for Social Applications of GIS, developed ARIA for social applications of geographical information systems.

ARIA interprets remoteness as access to a range of services, some of which are available in smaller centres and some only in larger centres. The remoteness of a location was measured in terms of how far people must travel by road to reach a service centre. Localities that are more remote have less access to service centres; those that are less remote have greater access to service centres. The Index was designed to be comprehensive, sufficiently detailed, simple, transparent, defensible and stable over time. Specifically it was designed to geographically map remoteness, not socioeconomic factors. For each locality, distances are converted to ratios to the mean, a threshold of 3.0 is applied, and they are then summed. This produces a continuous variable from zero (high accessibility) to 15 (high remoteness).

Two hundred and one service centres were identified in Australia. Centres were analysed by

population size as this was found to have a strong relationship to the availability of services, such as health and education, where government has a role in provision, funding or planning. The study also found a link, although it was less robust, between population and the availability of many commercial services. The analysis resulted in the classification of all centres with a population greater than 5,000 people into four categories:

- more than 250,000 people;
- 48,000 – 249,999 people;
- 18,000 – 47,999 people; or
- 5,000 – 17,999 people.

The accessibility was then calculated for every populated locality in Australia based on the road distance from the nearest centre (with due weighting for islands).

The maps in the pocket at the back of this report show the relative remoteness of all parts of Australia to the nearest kilometre with local government boundaries overlaid. These can be compared with maps in previous editions of the National Report indicating an average level of remoteness for councils. The most significant variations are for those councils that comprise a wide range of remoteness.