

## Discussion paper

September 2009

Queensland Local Government Grants Commission

# 2009 Methodology review

Financial Assistance Grant  
General Purpose Grant



# Preface

The Queensland Local Government Grants Commission (the Commission) is an independent body whose main role is to make recommendations to the state Minister responsible for local government on the distribution of the untied Commonwealth's Financial Assistance Grant to the 73 local governing bodies (councils) in Queensland.

The 73 councils are constituted under the Queensland *Local Government Act 1993*, *Community Services (Aborigines) Act 1984* or the *Community Services (Torres Strait) Act 1984*.

This discussion paper is being released as a means of communication between the Commission, councils and other stakeholders on all aspects of the methodology for determining the General Purpose Grant component of the Financial Assistance Grant. Although the focus at this stage is on the General Purpose Grant, comment is welcome at a broad level in relation to the Identified Road Grant.

Local government reforms in Queensland presents a number of challenges for the Commission with regard to its funding methodology. A major task for the Commission this year has been to begin the review of this methodology. The review is in response to the Local Government Reform Commission's recommendation that an examination be undertaken of the long-term impact of the new local government structure.

The submissions received from this discussion paper will play a significant role in the development of a revised methodology for the General Purpose Grant. An information paper will be released in early 2010 which will provide greater detail on a proposed revised methodology and indicates how this will affect grant outcomes.

After the release of the information paper, the Commission will conduct regional information sessions in a number of locations throughout Queensland. Councils and other stakeholders will be able to provide input into the revised methodology and discuss issues that affect their operations.

The current members of the Commission are listed below. All members were appointed for a three year term in November 2007. Mr Collins and Ms Portess have been re-appointed, having been originally appointed to the Commission in September 2002 and November 2005 respectively.

Kelvin Spiller	<b>Chairperson</b> Former Chief Executive Officer, Maroochy Shire Council
Gabrielle Sinclair	<b>Deputy Chairperson</b> Assistant Director General, Department of Infrastructure and Planning
Warren Collins	<b>Member</b> Chief Executive Officer, Cherbourg Aboriginal Shire Council
Anne Portess	<b>Member</b> Former Mayor, Herberton Shire Council
Mark O'Brien	<b>Member</b> Mayor, Murweh Shire Council
Carl Wulff	<b>Member</b> Chief Executive Officer, Ipswich City Council

The Commission encourages all interested parties to have input into the methodology for making fair and equitable recommendations by making a written submission regarding this discussion paper.

# Contents

<b>Glossary</b> .....	<b>iv</b>
<b>How to respond to this discussion paper.</b> .....	<b>vi</b>
<b>Section 1 Introduction</b> .....	<b>1</b>
1.1 History of the Financial Assistance Grant. ....	1
1.2 Queensland Local Government Grants Commission .....	1
1.3 New local government structure. ....	2
1.4 History of the current methodology .....	2
1.5 The need for a review. ....	2
1.6 Legislative environment—determining the grant .....	3
1.7 Queensland’s share of the pool—2009-10. ....	5
1.8 What is being reviewed .....	6
1.9 The legislative environment—determining the grant .....	7
<b>Section 2 Overview of the methodology</b> .....	<b>8</b>
2.1 Introduction. ....	8
2.2 Minimum grant councils .....	9
<b>Section 3 Assessing capacity to raise revenue</b> .....	<b>10</b>
3.1 Introduction. ....	10
3.2 Rate raising capacity .....	10
3.3 Garbage charges .....	12
3.4 User fees and charges .....	12
3.5 Other grants received .....	13
<b>Section 4 Recognising differences in expenditure requirements</b> .....	<b>14</b>
4.1 Common expenditure categories .....	14
4.2 Cost adjustors .....	19
<b>Section 5 Scaling back—matching the available funding pool</b> .....	<b>24</b>
5.1 Overview. ....	24
5.2 Scaling back .....	24
5.3 Regression averaging step .....	26
<b>Section 6 Identified Road Grant</b> .....	<b>27</b>
<b>Attachment 1 Financial Assistance Grant—2008-09 and 2009-10 allocations</b> .....	<b>31</b>

# Glossary

## **ARIA—Accessibility/Remoteness Index of Australia**

The ARIA is a geographic measure of remoteness. The indexes are derived from measures of road distance between populated localities and service centres. These road distance measures are then used to generate a remoteness score for any location in Australia.

## **Consolidated data collection return**

The consolidated data collection return is a comprehensive collection of financial data and other statistical information about key activities and functions of Queensland local governments.

## **The Commission—Queensland Local Government Grants Commission**

The Commission is an independent statutory body that makes recommendations to the Queensland Minister responsible for local government on the distribution of the Commonwealth's Financial Assistance Grant to local governments. When endorsed by the Queensland Minister responsible for local government, the Commission's recommendations are forwarded to the Commonwealth Minister responsible for local government. When satisfied that all legislative requirements are met, the Commonwealth Minister approves payment.

## **FAG—Financial Assistance Grant**

The Financial Assistance Grant is a Commonwealth grant provided to local government each year that aims to:

- improve the financial capacity of councils
- support councils in providing their residents with an equitable level of service
- support the provision of council services to Aboriginal and Torres Strait Islander communities.

## **GPG—General Purpose Grant**

The General Purpose Grant is one component of the Financial Assistance Grant. Its objectives include improving local governments' capacity to provide their communities with an equitable level of services.

## **IRG—Identified Road Grant**

This is one component of the Financial Assistance Grant and is allocated to councils to assist with the maintenance of road infrastructure. As Identified Road Grants are untied grants, councils are not specifically required to spend the funds on local roads.

## **SEIFA—Socio-economic Indexes for Areas**

Socio-economic Indexes for Areas indexes are rankings of geographic areas developed by the Australian Bureau of Statistics. A score is created for an area based on characteristics of people, families and dwellings collected through the Census. The indexes compare areas of relative affluence, disadvantage, educated and highly-skilled attributes.

There are four indexes:

- Relative Socio-economic Disadvantage (IRSD)
- Relative Socio-economic Advantage and Disadvantage (IRSAD)
- Economic Resources (IER)
- Education and Occupation (IEO)

Each index summarises a different set of social and economic information from the 2006 Census. These indexes for each local government area are available free on the ABS website, [www.abs.gov.au](http://www.abs.gov.au).

## **Horizontal fiscal equalisation**

Horizontal fiscal equalisation is one of the national principles as part of the Commonwealth legislation, *Local Government (Financial Assistance) Act 1995*. It requires that the methodology determines an average standard of service delivery.

## **Effort neutrality**

Effort neutrality is one of the national principles as part of the Commonwealth legislation, *Local Government (Financial Assistance) Act 1995*. It means that policies of individual councils are not taken into account in terms of expenditure and revenue effort.

# How to respond to this discussion paper

The Queensland Local Government Grants Commission (the Commission) is seeking your comments on this discussion paper and invites you to make a written submission as part of the review of the General Purpose Grant component of the Financial Assistance Grant. There are specific issues raised throughout the paper for you to provide comment and feedback on. Please do not hesitate to also include any other information that you consider is relevant to the calculations of the Financial Assistance Grant.

## How to respond

You can have your say by providing a written response by fax, post or email to the Commission.

Please number your responses clearly to correspond with the related section and question number in the discussion paper.

For your submission to be treated as a formal response, you must include your:

1. name
2. phone, fax or email address.

If you are making a submission on behalf of an organisation, please include the organisation's name and your position and indicate at what level the submission has been authorised (e.g. Chief Executive).

Anonymous submissions will not be considered.

## Contact details

<b>Postal address</b>	Executive Officer Queensland Local Government Grants Commission Department of Infrastructure and Planning PO Box 15285 City East Qld 4002
<b>Email</b>	enquiries@qlggc.qld.gov.au
<b>Fax</b>	(07) 3225 8685
<b>Online</b>	www.qlggc.qld.gov.au

For all enquiries please contact Lynn Sawtell, Executive Officer on phone (07) 3225 8693.

## Closing date

The closing date for responses is 27 November 2009.

## Confidentiality

Your submission will be treated confidentially. The Commission will consider all responses as part of the review of the General Purpose Grant component of the Financial Assistance Grant. The information will be collected, evaluated and may be included anonymously in further publications of the Commission. The Commission's response to submission issues will be communicated through further publications including the information paper scheduled for release in early 2010.

# Section 1 Introduction

## 1.1 History of the Financial Assistance Grant

*The grant commenced in the 1970s*

The Financial Assistance Grant (FAG) commenced in the 1970s and is a Commonwealth grant to local councils throughout Australia. The aim of the funding continues to be to equalise the resource capacity and expenditure differences of local government. The purpose of the grant is to supplement councils' own-sourced revenue in order to assist them to provide the state average level of services and facilities.

The initial legislation *Local Government (Personal Income, Tax Sharing) Act 1976* established the state and territories Grants Commissions as independent bodies.

The 1976 legislation was replaced by the *Local Government (Financial Assistance) Act 1986*. This Act introduced the linking of annual increases in the overall funding pool to the consumer price index (CPI) and population growth.

*Current legislation introduced in 1995*

A further inquiry by the Commonwealth in 1994 saw the introduction of the *Local Government (Financial Assistance) Act 1995*, which replaced the *Local Government (Financial Assistance) Act 1986*. The key elements of the *Local Government (Financial Assistance) Act 1995* are:

- the establishment of national principles to provide a framework for decision making for the state Grants Commissions
- the requirement for a national report published by the Commonwealth Department of Local Government.

This Act was reviewed in 2001 with no changes being made to the legislation at this time.

*Transfer of road funding to Grants Commissions in 1990*

Further changes to the Financial Assistance Grant occurred in 1990 with a Special Premiers' Conference decision to untie Commonwealth local road funding. This resulted in the current two component arrangement of the grant—General Purpose Grant (GPG) and Identified Road Grant (IRG).

Both of these grants are untied to councils and are paid quarterly. As untied grants there are no reporting requirements on the expenditure of these funds.

## 1.2 Queensland Local Government Grants Commission

*Grants Commission independent body*

The *Local Government Act 1993* provides the legislative basis for the operation of the Queensland Local Government Grants Commission (the Commission). The Commission is an independent body and its main role is to make recommendations on the distribution of the untied Commonwealth's Financial Assistance Grant to local governing authorities in Queensland. The operations of the Commission are funded by the state government with all funds under the Financial Assistance Grant allocated to councils.

The Commission does not decide on the funding pool. The funding amount for each state is detailed in the Commonwealth budget delivered in May of each year. When the final adjustments are made (in July each year) for corrected CPI and population growth, the Commission presents its recommendations to the state Minister responsible for local government for endorsement.

Final approval is provided by the Commonwealth Minister for Local Government. This occurs during late July to early August of each year to allow for the first quarterly payment to be made in mid-August.

The funding for the majority of councils forms a major part of their revenue base. For some councils it is 60 per cent of their recurrent operational revenue whilst for other councils it is as low as five per cent.

*A changed local government environment*

*Need to re-examine all revenue inputs and expenditure items*

### 1.3 New local government structure

Following the independent Local Government Reform Commission's recommendations to reduce existing councils from 157 to 73, local government structural reform was completed on 15 March 2008 with the quadrennial elections.

As a result of boundary changes this included the amalgamation of former councils into complete entities, as well as the development of new councils.

The Local Government Reform Commission in its report presented to the Queensland Government in August 2007, made the following recommendation:

*Recommendation 24*

*With respect to the distribution of the Financial Assistance Grants:*

- (a) following the March 2008 local government elections the QLGGC should undertake a review of the funding methodology to examine the long-term impact of the new local government structure, and*
- (b) any such review should be completed before the current four year guarantee for amalgamated councils ends.*

The Commission recognises that such significant change to the structure of local government creates a need to re-examine all inputs and calculations of the General Purpose Grant component of the Financial Assistance Grant to ensure equity and fairness in grant allocation. It is also important to re-examine the basic principles that drive the methodology and it is these principles that will form the basis of this paper.

### 1.4 History of the current methodology

Following a review of the previous methodology, the current methodology was introduced in 2003-04 with a phase-in over a four year period. This review was undertaken at the direction of the Commonwealth government to address subjectivity and consistency in the use of data in the calculation of the grant.

### 1.5 The need for a review

As detailed above, the Local Government Reform Commission included a recommendation on the review of the Financial Assistance Grant. The current methodology uses data inputs and calculations based on the revenue capacity and expenditure needs for 157 councils. This includes expenditure need allowances for a large percentage of small councils with populations under 5000 people. It is important to note that in the existing local government environment of 73 councils, there remain 38 councils with a population of under 5000 people. The most significant change from local government reform has been the creation of 31 new regional councils.

New local government boundaries necessitate the need to review the calculations of the General Purpose Grant that include the following:

- amalgamated regional councils, their revenue capacity and the on-going potential for reduced expenditure needs of these councils
- capacity of rural and remote councils including Indigenous councils to meet expenditure requirements
- identification of councils with significant or above average revenue raising capacity.

The Commission is seeking to develop a methodology that is able to adapt to the growing capacity of regional councils to increase their financial capacity, while simultaneously recognising the ongoing financial position of rural, remote and Indigenous councils.

Through discussions with councils and other stakeholders, a number of criticisms of the current methodology have been raised, including:

- there is an overemphasis on road length—road length features a number of times in the methodology as an input or equalising factor
- there is a heavy reliance on population as a driver for calculations—population is a major input into many of the methodology calculations
- the methodology is overly complicated and difficult to understand.

## 1.6 Legislative environment—determining the grant

The Commonwealth *Local Government (Financial Assistance) Act 1995* governs the way in which the grants are to be distributed.

The legislation details the way in which the Commonwealth determines the pool of available funding at a national level and how it is distributed to the states and territories.

National principles introduced with this legislation apply to the allocation process by each of the states and territories. The Commission is required to operate in accordance with the legislation and the related national principles.

This Act outlines that:

*The allocation of funds for local government purposes on a full horizontal equalisation basis is a reference to an allocation of funds that:*

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

### **National principles**

The national principles were first introduced by the Commonwealth with the current legislation in 1995—the *Local Government (Financial Assistance) Act 1995*. All states and territories must comply with these principles.

The national principles relating to the allocation of General Purpose Grants are as follows:

#### *A. Horizontal equalisation*

*General Purpose Grants will be allocated to local governing bodies, as far as practicable, on a full horizontal equalisation basis. 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 government bodies in the state. It takes account of differences in the expenditure required of councils and capacity of councils to raise revenue.*

This principle forms the basis of the methodology by taking into account assessed revenue and expenditure and determining an average standard of service delivery. Defining the average standard of service delivery is inherently difficult in a state such as Queensland that has a diverse mix of councils with a great disparity of population and differences in economic environments and other factors.

#### *B. Effort neutrality*

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

The effort neutrality principle requires the Commission to develop a methodology that does not consider an individual council's capacity to raise revenue through policy-based methods such as parking fines, but instead maintains a higher order examination of revenue and expenditure.

#### *C. Minimum grant*

*The minimum general purpose grant allocation requires that each council will receive a per capita minimum amount. This is calculated by taking 30 per cent from the annual General Purpose Grant funding pool and dividing by the state's population which gives a per capita amount. Each council then receives a per capita amount as a starting base. The remainder 70 per cent is allocated according to the methodology.*

There are some councils that according to the methodology have above average capacity to meet their expenditure needs and receive only the minimum grant.

#### *D. Other grant support*

*Other relevant grant support provided to local governing bodies to meet any of their expenditure needs should be taken into account.*

These are grants provided by either the state or Commonwealth government and are considered revenue inputs into the methodology.

#### *E. Aboriginal Peoples and Torres Strait Islanders*

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

This requires the Commission to allow for the needs of Aboriginal and Torres Strait Islander people in relation to both expenditure requirements and revenue raising capacity of councils.

#### *F. Identified Road Grant*

*The Identified Road Grant component of the Financial Assistance Grants should be allocated to local governing bodies to assist with the maintenance of road infrastructure.*

This national principle is included to ensure that a separate allocation of funding occurs in each state and territory for the Identified Road Grant.

#### *G. Council amalgamation*

*Where two or more local governing bodies are amalgamated into a single body, the general purpose grant provided to the new body for each of the four years following amalgamation should be the total of the amounts that would have been provided to the former bodies in each of those years if they had remained separate entities.*

*Welcome  
your view on  
legislation  
and national  
principles*

*Split of funds  
between  
jurisdictions—  
Queensland's  
share*

This is the latest addition to the national principles and was proclaimed in the legislation on 7 February 2006. The purpose of this principle is to assure amalgamated councils that the base level of their grant for a four-year period will not decrease to pre-amalgamation levels. This assurance assists with councils' budgeting forecasts.

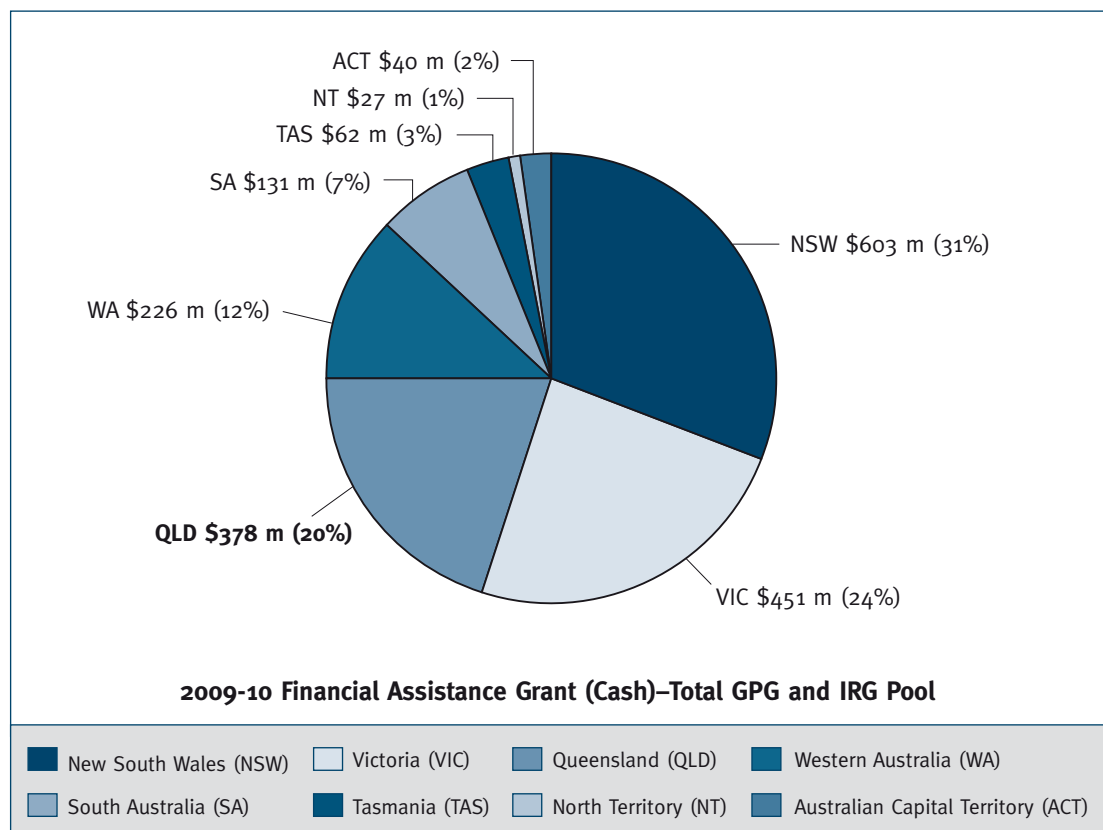
The grant allocation methodology used by the Commission is underpinned and bound by this legislation and the related national principles. Changes to the grant allocation methodology must be consistent with these principles.

The Commission can identify and raise matters relating to the legislation and principles with the state and Commonwealth Ministers responsible for local government. Your comments on the legislation and national principles will be considered by the Commission and where appropriate this information will be compiled and forwarded for consideration at Ministerial level.

## 1.7 Queensland's share of the pool—2009-10

For the current financial year (2009-10) Queensland's share of the national funding pool received from the federal government is \$378 million. The Commission does not determine the size of the funding pool. The Commonwealth legislation prescribes that the annual increase is determined by an estimated Consumer Price Index and population growth factor for the coming year.

The Commission makes recommendations about Queensland's allocation in an equitable and objective manner. The diagram below shows the distribution of the total pool of funds, \$1.92 billion in 2009-10, across Australia. Attachment 1 provides a breakdown of the funding allocations to councils for 2008-09 and 2009-10.



Two components  
of the Financial  
Assistance Grant

Only examining  
General  
Purpose Grant  
calculations

## 1.8 What is being reviewed?

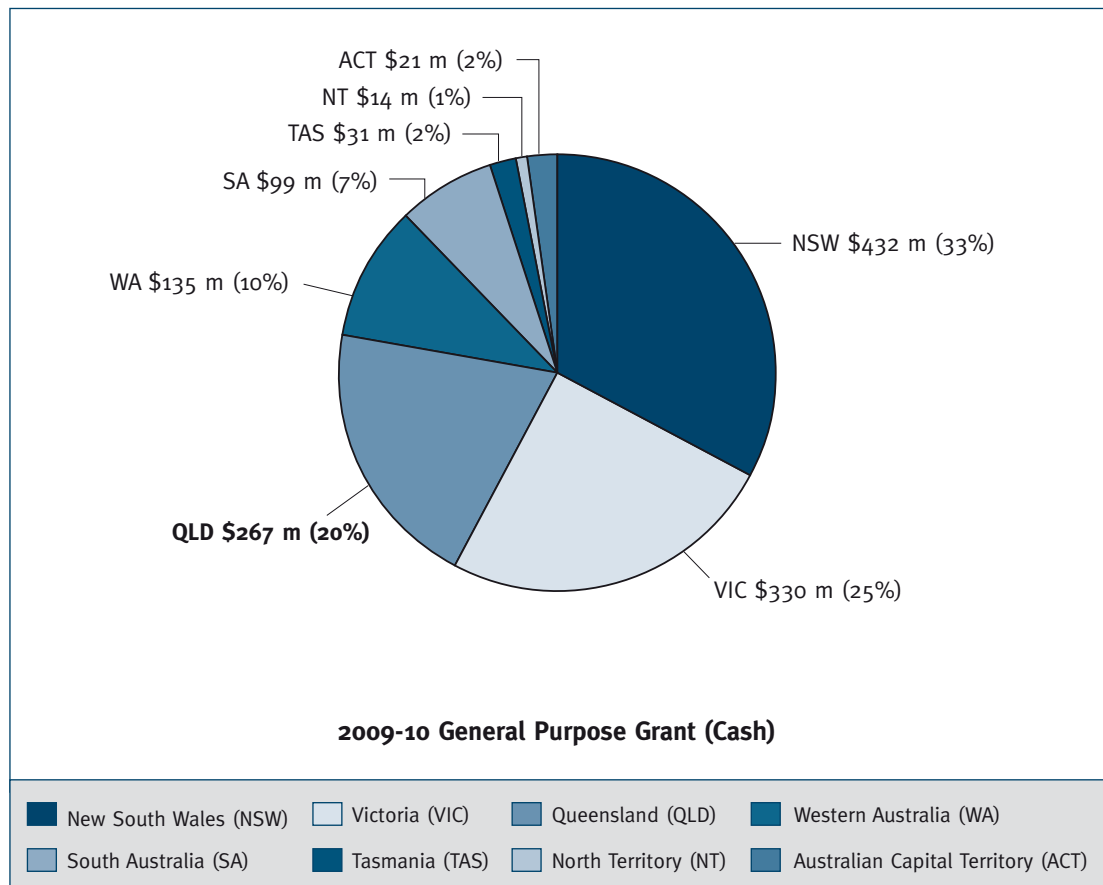
The two components of the Commonwealth's Financial Assistance Grant are the General Purpose Grant and the Identified Road Grant. This review is examining the General Purpose Grant component of the Financial Assistance Grant.

The Identified Road Grant uses a simple formula for the distribution of funds—62.85 per cent road length and 37.15 per cent population for each council. The Commission has managed this roads funding since 1991, using this historical formula. There are no records that show how this formula was determined.

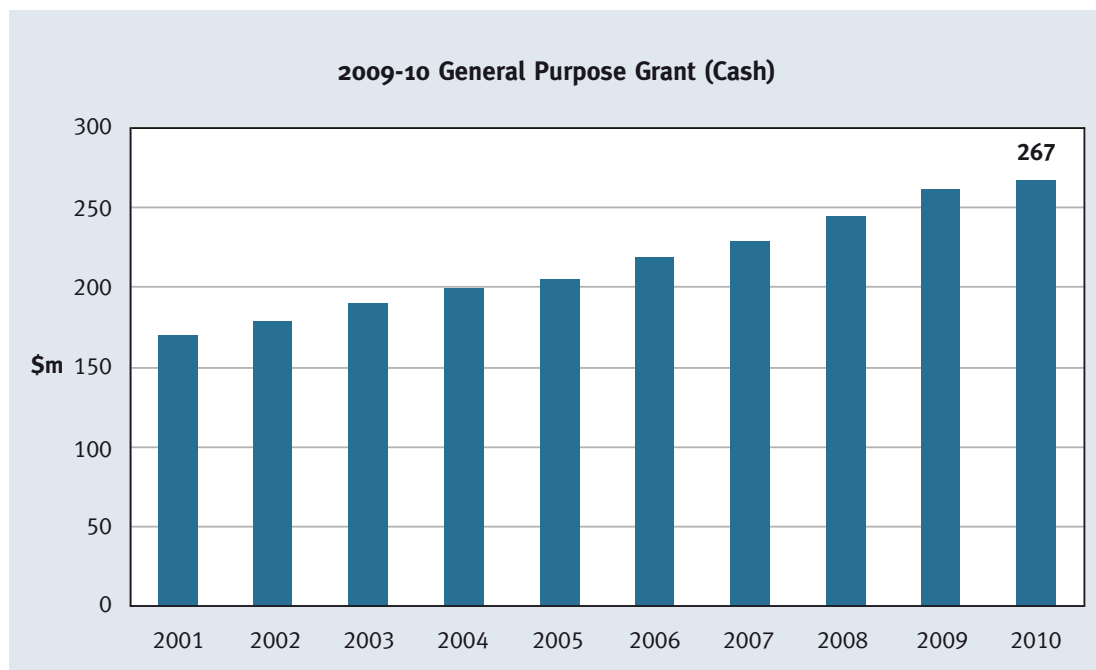
While it may be useful to consider moving the distribution to a different model such as the asset preservation model that forms part of the General Purpose Grant calculations, this is not included in the current review. Councils may have a view on the methodology for the allocation of the Identified Road Grant and are encouraged to include submissions on this area. Please go to section 6 for an overview of the Identified Road Grant and how you can respond to matters in this area.

### General Purpose Grant allocation—2009-10

The 2009-10 General Purpose Grant allocation across Australia is \$1.33 billion with Queensland's share of this being \$377.8 million which is approximately 20 per cent of the funding pool. The diagram below shows the allocation of the funds between the states and territories.



Queensland's General Purpose Grant allocation over the last decade is shown in the diagram below.



Queensland's population growth has been a major factor in driving larger funding allocations to the state. As population is one of the determinants for distribution, Queensland's funding pool has increased at a higher rate in relation to most other states and territories.

## 1.9 Process for finalisation of review

This discussion paper is the initial stage in a communication process with councils and other stakeholders on the review of all aspects of the calculation of the General Purpose Grant. Its aim is to provide an avenue for feedback and dialogue from councils on the principles that underpin the inputs to the methodology and the proposed changes to these inputs. No decisions regarding changes to the grant allocation methodology have been finalised prior to this review.

There are questions throughout the document that are intended to provide a guide for comment and feedback. These questions are also available on the Commission's website as a convenient way to provide input.

Feedback on this discussion paper is due back to the Commission by **27 November 2009**.

All feedback will be considered by the Commission and taken into account as part of the development of a revised methodology for the General Purpose Grant.

It is the intention of the Commission to release an information paper in early 2010 that will provide a summary of responses to this discussion paper. The information paper will give greater detail on the revised methodology and an indication of how it will affect grant outcomes.

After the release of the information paper, the Commission will conduct regional information sessions in a number of locations throughout Queensland. This will provide an opportunity for councils and other stakeholders to meet with the Commission and provide input into the revised methodology and discuss issues that affect their operations.

*Feedback is essential to developing new methodology*

*Information Paper to be released in early 2010*

# Section 2 Overview of the methodology

*Fair and equitable distribution—based on relative need*

*Determining average level of service*

## 2.1 Introduction

The role of the Commission is to ensure that the methodology used to determine allocation recommendations for the Financial Assistance Grant is fair and equitable. The Commission considers a range of factors, including council's expenditure and revenue in delivering services to their community. According to the national principle of horizontal fiscal equalisation, funds are allocated to councils on the basis of relative need. The Commission determines Queensland's average service level expenditure and determines whether the council can afford this with the available revenue sources. The Commission does not make determinations of minimum service standards or community expectations of service provision.

In determining whether councils can afford to provide the state average service level, the Commission determines each council's assessed revenue and expenditure, based on state average service levels. A council is considered to have a relative need if it cannot provide the average level of services with its own-sourced funds. Average expenditure less average revenue equals funding need. The total sum of this assessed expenditure need across all councils statewide is greater than the funding pool available, which necessitates fair and equitable scaling back.

Assessed revenue and expenditure is the basis of grant calculations. Those councils that have higher assessed revenue than assessed expenditure receive only the minimum grant. The minimum grant is one of the national principles and is calculated as a per capita amount of 30 per cent of the General Purpose Grant. All councils commence their allocation under the General Purpose Grant with a minimum grant component which is a per capita amount. The remainder 70 per cent of the General Purpose Grant is allocated through the methodology.

The methodology is required by legislation to determine an average level of service delivery. This is done by assessing each council's revenue and expenditure in a number of specified categories. The broad outcomes of this are detailed below:

- identical councils in areas such as population, road lengths and traffic volumes should receive similar grants
- as no assessment is made at a single council level, efficient councils are not penalised through the methodology.

## 2.2 Minimum grant councils

As stated in the national principles, each council receives a minimum grant. Each council's minimum grant is calculated by dividing 30 per cent of the General Purpose Grant amount (\$377.8 million in 2009-10) by the state's population (4 177 875 in 2009-10)—establishing a per capita amount—and multiplying this by the population of the council.

Currently there are two councils that receive the minimum grant only—Brisbane City Council and Gold Coast City Council. In 2009-10 this is \$19.33 per capita.

The table below gives a comparison of minimum grant councils across Australian states and territories.

	QLD	WA	NSW	VIC	SA	TAS	NT
<b>Number of councils on minimum grant</b>	2	31	21	12	20	4	2
<b>Percentage of population on minimum grant</b>	35.7%	72.21%	25%	27%	54%	42.4%	45%
<b>Total number of councils</b>	73	139	155	79	74	29	16

One strategy for consideration by the Commission is to move more councils to the minimum grant only. This decision would take into account the extent to which a council is able to meet its assessed expenditure with assessed revenue. This would then allow funds to be directed to councils that do not have as much capacity to raise revenue.

### Question 1

Please explain your opinion about councils with greater capacity to meet assessed expenditure through assessed revenue moving to a minimum grant level of funding.

*Movement to minimum grant councils*

# Section 3 Assessing capacity to raise revenue

## 3.1 Introduction

The principle of horizontal fiscal equalisation and the Commonwealth legislation require the Commission to examine the capacity of councils to raise revenue to meet their expenditure needs. The methodology determines the assessed revenue of each council if it operated at an average level of service.

Councils have a number of revenue sources but in general across all councils, rates account for approximately 58 per cent of operating income.

In assessing councils' revenue capacity, the Commission only considers recurrent, operational revenue. Capital expenditure items, including grants, are not taken into account as they would significantly alter the calculation of the average level of service delivery. Ongoing operational revenue and expenditure provides a sound basis for determining the average level of service delivery. This also provides a means of comparison so that council needs can be correctly assessed and residents can be provided with an equitable level of services.

The revenue categories currently considered by the Commission are:

- rates in terms of a rate raising capacity
- garbage charges
- other fees and charges
- other grants received.

## 3.2 Rate raising capacity

It would not be appropriate for the Commission to take into account actual rates received, as councils make varying policy decisions about the rates charges. Doing so would contradict the national principle of effort neutrality. The methodology instead uses a calculation based on unimproved capital valuations against residential, industrial and rural land. Similar methods are used across all jurisdictions.

In reviewing the rate raising capacity component of the methodology, the Commission's focus was to ensure that councils with greater capacity to raise revenue were not unduly advantaged. The intention was to develop a formula that accurately reflects council's capacity to raise rates whether small, large, urban or rural.

### Current input—rate raising capacity

Currently as part of the calculation of rate raising capacity the methodology applies a \$400 per property minimum rate figure. This accounts for a 30 per cent weighting of a council's rate revenue. This has the potential to favour large councils with high valuations that have a greater capacity to raise rates.

The next step in the current methodology is to apply an average cent in the dollar across residential, industrial and rural with a weighting given to these areas of 68 per cent, 24 per cent and 8 per cent respectively. This accounts for a 70 per cent weighting. This split of rates and weighting was a decision made as part of the review of the methodology in 2002-03.

The calculation for residential rates is adjusted to account for each council's Socio-economic Indexes for Areas (SEIFA) score and for the average family income for each local government area. This data is obtained from the Australian Bureau of Statistics (ABS) and further information can be found at their website at [www.abs.gov.au](http://www.abs.gov.au). This is applied to the rate revenue calculations for residential properties.

*Only recurrent revenue—not grants for capital expenditure*

*Assessing capacity to raise revenue through rates*

### **Possible alternative input—rate raising capacity**

A possible alternative for future rate raising capacity calculations is to determine a value based on average cents in the dollar against the combined valuations. This would mean a removal of the \$400 minimum rate and weightings against the different categories. The proposal includes a greater emphasis on the use of Socio-economic Indexes for Areas scores to adjust council's rate raising capacity as this is seen as giving a better reflection of council's ability to raise revenue. The four Socio-economic Indexes for Areas indices that will be considered are:

- Index of Relative Socio-economic Disadvantage (SEIFA 1)
- Index of Relative Socio-economic Advantage and Disadvantage (SEIFA 2)
- Index of Economic Resources (SEIFA 3)
- Index of Education and Occupation (SEIFA 4)

Currently only one of these indices has been used alongside the average level of family income for local government areas to adjust rate raising capacity. By using these further indices of Socio-economic Indexes for Areas the family income adjustment would not need to be included.

### **Current input—averaging of property valuations**

In order to moderate grant outcomes, the Commission averages property valuations over a number of years. This recognises that increases in property values does not necessarily equate to a capacity to immediately increase rates. It also accounts for the fact that not every council has its land re-valued each year. For the last two grant calculations, the period over which valuations were averaged was six years because of high escalations in property valuations. Prior to this, valuations were averaged over a five-year period.

Higher property valuations can mean that a council is assessed at having greater capacity to raise own-sourced revenue.

### **Possible alternative input—averaging of property valuations**

The proposal is to average valuations over three years in order to capture a council's capacity to raise rates against the actual valuations within a reasonable time period. This is more in keeping within the national principle of horizontal fiscal equalisation.

The disadvantage of a three-year average is that valuations may not be performed for all councils within a three year cycle. This could produce inconsistencies with grant outcomes.

#### **Question 2**

What is your opinion of the appropriateness of determining assessed rate raising capacity by averaging unimproved capital valuations over three years?

#### **Question 3**

Please expand on other alternatives (if any).

#### **Question 4**

There will always be issues with the capacity for a community to pay rates against unimproved capital value. What other means could be taken into account to adjust for this?

#### Question 5

Please expand on other means of assessing rates income revenue, apart from assessment against unimproved capital valuations.

### 3.3 Garbage charges

Garbage charges account for approximately ten per cent of all councils' income, and as such need to be considered as a relevant revenue item.

#### Current input—garbage charges

Currently the methodology excludes industrial properties as garbage charges in this category are often on a cost recovery basis and through an outsourced commercial enterprise. Rural properties are also excluded.

The current methodology develops an average occupied urban property revenue amount by dividing the state total garbage charge revenue by the number of occupied urban residential properties in Queensland. To determine each council's garbage charge revenue, the average occupied urban revenue amount is multiplied by the council's number of occupied urban residential properties.

#### Possible alternative input—garbage charges

An alternative for garbage charge revenue calculation is to include rural properties and continue to use an average amount based on all properties (excluding industrial). The Commission receives regular feedback that rural residential properties receive a garbage collection. The Commission does not have the capacity to update on a regular basis the number of occupied properties as this data is not readily available. In addition garbage charges are levied even if a property is unoccupied.

#### Question 6

Given that garbage charges are part of councils' assessed income, are there other ways that this could be determined and applied across the state?

#### Question 7

Please explain your opinion of including rural properties as part of the revenue from garbage charges as part of this assessment.

### 3.4 User fees and charges

#### Current input—user fees and charges

The methodology calculates this as a per capita amount. This is calculated by the sum of all revenue received by user fees and charges across all councils, divided by the state's population. The per capita amount is used to ascertain each council's assessed revenue in this area.

#### Question 8

Please outline any other means of assessing the income from user fees and charges that you believe could be applied across the state.

*Inclusion of rural properties*

*A per capita amount*

*Other grant support—national principle*

### 3.5 Other grants received

The inclusion of council revenue from other grants—that contribute to operations and maintenance—is a national principle of the Commonwealth legislation and must be part of the methodology.

#### Current input—other grant support

Currently the grants considered as contributing to operations and maintenance and part of the income assessment are:

Identified Road Grant (previous year)	100%
Library Book Subsidy	100%
General Purpose Grant • minimum component (previous year)	100%
Road and Drainage Grant	50% (ceased in 2008-09)
Roads to Recovery Grant	50%
State Government Financial Aid	20%

#### Possible alternative input—other grant support

Exclusion of the Library Book Subsidy grant is a consideration. In 2009-10 this grant was distributed across 30 councils with a total funding pool of \$16.7 million.

In relation to the Roads to Recovery Grant, a possible alternative is to remove the weighting of 50 per cent, instead including the total funding received as part of assessed income.

In addition, the minimum component of the previous year's General Purpose Grant could be excluded.

The State Government Financial Aid grant is provided to Indigenous councils to support the delivery of municipal services and in 2009-10 totalled \$30 million. Indigenous councils are unable to charge rates in their communities due to the nature of the land tenure. The Commission in 2009-10 included 20 per cent of this funding as a revenue item for these councils.

#### Question 9

Considering revenue received from other grants is a national principle and therefore needs to be part of the methodology, are there other grants that should be included?

#### Question 10

Should any of the above be excluded or the weightings changed?

#### Question 11

Are the revenue assessment categories relevant to the own-source revenue streams available to councils?

#### Question 12

What options are there to apply revenue adjustors to each council's revenue raising capacity assessment?

*Reduction in number of grants considered as revenue*

# Section 4 Recognising differences in expenditure requirements

## 4.1 Common expenditure categories

*Costs of service delivery vary significantly*

Expenditure requirements vary greatly across the state. The costs of delivering council services can vary significantly between urban, rural and remote communities. There are many councils that have no road transport for a number of months each year because road access is cut by rivers or floods during the wet season. Transporting goods by other means during these times can add enormous costs to the delivery of basic services. Application of cost adjustors specific to each council take into account these variances across the state.

The Commonwealth legislation requires that the Commission takes account of differences in expenditure requirements across councils. The starting point is to determine common categories of expenditure. The current areas of expenditure that are considered by the Commission as core expenditure items across all councils are:

*Legislation requires analysis of expenditure requirements*

- administration
- public order and safety
- education, health, welfare and housing
- garbage, septic and recycling
- street lighting
- community amenities, recreation, culture and libraries
- building control and town planning
- business and industry development
- roads assessment
- environment and transport.

### Question 13

Are the above expenditure categories relevant?

### Question 14

Are additional items required or should some be excluded?

All financial data for these expenditure categories are collected from councils through the annual consolidated data collection form. State totals are determined for each of these areas, except for the roads assessment and environment and transport categories. The actual expenditure on roads is not used in the methodology as council policy in this area varies. The roads assessment is based on an asset preservation model with defined amounts per kilometre of road in urban or rural areas and traffic volume considerations.

Expenditure on environment and transport is also varied between councils and a state average is not considered applicable or appropriate. The dollar value is calculated for this category by actual council expenditure less actual revenue received in this area.

In keeping with the Commonwealth legislation, averages are used for all other categories against a per capita amount, a per property amount or a combination of both.

The expenditure categories are described below and the relevant cost adjustors are listed. More detailed information regarding cost adjustors can be found in section 4.2.

The methodology relies on accurate and complete data from the annual consolidated data collection return. Councils supplying inaccurate or incomplete data may undermine their grant allocation.

Currently across  
four areas

#### 4.1.1 Administration

##### Current input—administration

The methodology assesses administration expenditure on the basis that four factors drive council expenditure in this area:

1. fixed costs of establishing a council
2. geographical size of the council
3. population
4. property numbers.

The methodology sets a \$370 742 fixed cost for each council as recognition that irrespective of size or service provision needs, there are certain fixed costs in administration. In determining the grant for 2009-10 the calculations are based on data for 73 councils, therefore only one fixed cost was entered for amalgamated councils.

There is also a \$5 per square kilometre allowance for each council on the basis that administration costs increase for councils covering large geographical areas. This is capped at \$200 000 that is, 40 000 square kilometres, per council.

Once these constants (i.e. \$370 742 fixed cost and square kilometre allowance) are netted off the state total for administration. The remainder is apportioned to councils on the following basis: 75 per cent on their share of the state's population and 25 per cent on their share of properties. This proportionate split was determined as part of the review of the current methodology in 2002-03.

The administration constant of \$370 742, applied across the state, could be seen as an inaccurate measure of council's governance expenditure.

##### Possible alternative input—administration

###### *Governance function costs*

An alternative is to focus more on governance related expenditure and use actual expenditure. This could include remuneration for councillors, meeting travel expenses, salaries of the Chief Executive Officer (CEO), Chief Financial Officer and Administration/Personal Assistant to the CEO and Mayor. As travel expenditure would be collected for all governance related matters of councillors, this would therefore exclude the need to have a \$5 per square kilometre inclusion.

###### **Question 15**

Please explain your opinion of including actual governance related expenditure.

###### *Administration costs*

The current methodology divides the total state administrative expenses on a proportionate basis by property (25 per cent of total expenditure) and population (75 per cent of total expenditure). This split was determined as part of the review of the methodology in 2002-03.

The cost adjustors applied to this expenditure area are scale, location, growth, dispersion. For more detail see section 4.2.

Governance and  
administration  
costs

**Question 16**

Please explain your opinion of the appropriateness of the current weightings against property (25 per cent) and population (75 per cent) in assessing administration expenditure across the state to determine an average level of service delivery. Please expand on other suggestions.

**4.1.2 Public order and safety**

The total expenditure across all councils in this area is divided by the state population to derive a per capita amount. A calculation is then made for each council using this per capita amount.

The cost adjusters applied to this expenditure area are scale, demography, location, growth, dispersion. For more detail see section 4.2.

**Question 17**

Please explain your opinion of the appropriateness of the current calculation of each council's assessed expenditure in public order and safety. Please expand on alternative methods of calculation.

**4.1.3 Education, health, welfare and housing**

The expenditure in education, health, welfare and housing is based on a per capita amount for each council.

The cost adjusters applied to this expenditure area are scale, demography, location, growth, dispersion. For more detail see section 4.2.

**Question 18**

Please explain your opinion of the appropriateness of the current calculation of each council's assessed expenditure in education, health, welfare and housing. Please expand on alternative methods of calculation.

**4.1.4 Garbage, septic and recycling**

In order to arrive at a state average of expenditure for garbage, septic and recycling as required by legislation, the total expenditure is divided by the number of occupied urban residential properties across the state. The number of properties per council is obtained from the Department of Environment and Resource Management annually.

**Possible alternative input—garbage, septic and recycling**

Many councils now provide a garbage collection service to properties classified as rural residential or rural. An alternative in calculating this expenditure is to determine a cost per property—including all urban and rural properties.

The cost adjusters applied to this expenditure area are scale, location and dispersion. For more detail see section 4.2.

*Inclusion of rural properties*

#### **Question 19**

Please explain your opinion of the appropriateness of including rural and rural residential properties in the calculation of assessed expenditure in garbage, septic and recycling. Please include other ways of calculating this.

#### **4.1.5 Street lighting**

It is recognised that the number of residential properties in any locality will determine the need for street lighting. Therefore the expenditure on street lighting is determined by residential property numbers. In order to arrive at a state average of expenditure for street lighting as required by legislation, the total expenditure is divided by the number of residential properties across the state. The number of properties per council is obtained from the Department of Environment and Resource Management annually.

The cost adjustors applied to this expenditure area are scale and location. For more detail see section 4.2.

#### **Question 20**

Please explain your opinion of the appropriateness of the current calculation of each council's assessed expenditure in street lighting. Please expand on other alternatives to calculate assessed expenditure in this area.

#### **4.1.6 Community amenities, recreation, culture and libraries**

The methodology has a base amount for each council in recognition that all councils need to provide for ongoing operational costs for facilities in this area. In addition, there is a per capita amount allocated to each council based on state total expenditure. In 2009-10 the base amount is \$25 655. This base amount was determined as part of the review of the methodology in 2002-03.

#### **Possible alternative input—community amenities, recreation, culture and libraries**

An alternative in this area is to base the calculation on population alone, with a per capita amount for each council excluding the base amount, which may be an inaccurate reflection of council expenditure.

The cost adjustors applied to this expenditure area are scale, demography, location, growth and dispersion. For more detail see section 4.2.

#### **Question 21**

Please explain your opinion of the appropriateness of a per capita amount for community amenities, recreation, culture and libraries as a reflection of assessed costs for councils in this area. Please expand on other means of determining assessed costs in this area.

#### **4.1.7 Building control and town planning**

The calculation of building control and town planning expenditure is currently determined by dividing the total state expenditure in this area by the number of residential properties in the state—to arrive at an expenditure per residential property. Each council then receives an assessed expenditure based on the number of residential properties in the council.

The cost adjustors applied to this expenditure area are scale, location and growth. For more detail see section 4.2.

*Based on number of residential properties*

*Based on per capita amount*

*Based on number of residential properties*

*Based on per capita amount*

#### **Question 22**

Please explain your opinion of the appropriateness of using the number of residential properties as a means of assessing expenditure for building control and town planning. Please expand on other means of determining expenditure in this area.

#### **4.1.8 Business and industry development**

Expenditure in business and industry development is assessed on a per capita basis. The total state expenditure in this category is divided by the state's population to find a per capita amount. Each council then has assessed expenditure in this area calculated by multiplying their population base by the per capita amount.

The cost adjustors applied to this expenditure area are scale, location and growth. For more detail see section 4.2.

#### **Question 23**

Please explain your opinion of the appropriateness of using a per capita amount for assessing expenditure for business industry and development. Please expand on other means of determining expenditure in this area.

#### **4.1.9 Roads assessment**

The assessed road expenditure represented over 50 per cent of assessed total expenditure for more than a quarter of councils in the 2009-10 grant calculations.

The current methodology works on an asset preservation model that determines a dollar amount for each council to maintain its road assets. This is an aspect of the methodology as part of the General Purpose Grant.

The roads assessment expenditure for each council is according to base costs per kilometre considering traffic volumes against rural and urban roads. The Commission seeks the input from the Department of Transport and Main Roads on a regular basis for these base costs which includes an allowance for gravel availability and cartage.

The base costs are adjusted for soil sub-grade, terrain, climate and locality on-costs that are relevant for each council.

The final expenditure totals for each council are capped at either a five per cent decrease or increase of the previous year's expenditure. This input was the result of the review of the methodology in 2002-03.

#### **Question 24**

Please explain your opinion of the appropriateness of the current method of determining a council's assessed roads expenditure. Please expand on what other methods that could be used.

#### **4.1.10 Environment and transport**

This category covers the net operational expenditure of aerodromes, airports and jetties as well as costs associated with management of pest plants and animals.

The methodology considers each council's actual expenditure less any revenue received in this category. The methodology uses actual costs for each council as it is considered not possible to determine a state average because of wide variances across the state.

*Council's actual net expenditure used*

The expenditure areas used are:

- air and water transport facilities and services excluding recreation facilities
- emissions, air pollution abatement and management
- protection of biodiversity and habitat (including pest plant and animal)
- soil, groundwater, and surface water remediation/protection.

#### **Question 25**

Please explain your opinion of the appropriateness of using council's actual net expenditure for environment and transport rather than an assessed state average.

#### **Question 26**

Are some of these expenditure line items in the environment and transport category irrelevant?

#### **Question 27**

Do other cost areas need to be added? Please specify.

#### **Question 28**

Are there other methods of calculating costs in the environment and transport category?

## **4.2 Cost adjustors**

*Cost adjustors  
—critically  
important  
to recognise  
differences  
across the state*

Cost adjustors are indices applied to expenditure categories to account for factors outside a council's control that impact on its ability to provide services. Cost adjustors establish relative capacities of councils to provide services and are therefore critical to grant allocations. In effect, the application of these cost adjustors increases the assessed expenditure for each council. Actual cost differences due to council policy are not considered in line with the effort neutrality national principle. This national principle requires the Commission to develop a methodology that does not treat any one council more favourably than another. For example some councils may spend much more on recreation facilities than other councils and this is council policy to do so. By determining state averages these differences are not taken into account.

However multiplying every council's assessed expenditure by cost adjustors over the value of one (1) means that total state assessed expenditure exceeds total state actual expenditure. For example in the garbage expenditure category, if total assessed expenditure is \$254 million and actual expenditure is \$229 million, the methodology adjusts every council's assessed garbage expenditure, resulting in a reduction to 90 per cent of its original amount. This ensures that the relative positions of councils are maintained.

### **4.2.1 Scale**

This cost adjustor recognises that smaller councils incur additional costs per unit of service and larger councils incur lower costs.

The current methodology uses a population based formula to develop a sliding scale in which smaller councils derive the benefit. The current methodology does not use uniform categories and is centred on a population threshold of over or below 10 000.

Based on councils population

If a council's population is below 10 000, the cost adjustor is calculated on the basis of its size relative to 10 000. If the council population is over 10 000, the cost adjustor is calculated by determining its size relative to the largest council in the state (i.e. Brisbane). Therefore, Brisbane has a scale cost adjustor of 1.00 and the smaller the resident population of a council, the higher the cost adjustor.

### Possible alternative input—scale cost adjustor

To increase clarity and simplification, it is proposed that this cost adjustor is based completely on population with the following population bands utilised.

Population less than 5000	0.6–60% additional costs added to expenditure categories
Population between 5001 and 20 000	0.4–40% additional costs added to expenditure categories
Population between 20 001 and 40 000	0.2–20% additional costs added to expenditure categories
Population between 40 001 and 100 000	0.05–5% additional costs added to expenditure categories
Population between 100 001 and 300 000	0.025–2.5% additional costs added to expenditure categories

**For councils with population over 300 000 there will be no adjustment to expenditure categories.**

This cost adjustor is applied to all expenditure categories except for the roads assessment and environment and transport, which have specific calculations and cost adjustors.

#### Question 29

Please explain your opinion of the appropriateness of using the breakdown as detailed above against population levels as a means of determining additional costs for councils away from the main centres. Please expand on other methods that could be used.

Adjustment for age groups

### 4.2.2 Demography

This cost adjustor is made up of two parts. In the current methodology there is an allowance based on age (number of people aged under 19 years of age and over 65 years of age). The second part is based on the number of Indigenous people within a local government area. It acknowledges higher costs of service delivery due to these factors.

This cost adjustor allocates an additional 0.5 person for the number of people within these demographic ranges. This then alters the assessed expenditure amounts that are based on a per capita amount.

### Possible alternative input—demography cost adjustor

A possible alternative to the use of age limits is the introduction of a cost adjustor in the age category for Indigenous persons, with a reduction from 65 years of age to 50 years of age. This is due to a lower life expectancy for Indigenous people and would enable councils to include an additional 0.5 person for every Indigenous person over 50 years of age.

#### Question 30

Please explain your opinion on the appropriateness of the calculations for demography.

*Number of residential properties as a proportion of the total*

#### **Question 31**

What other demographic data inputs could be used?

### **4.2.3 Urban density**

In the current methodology this cost adjustor is applied to highly urbanised councils with a population of over 20 000.

The cost adjustor for each council is derived by dividing the number of residential properties by the total number of properties, and expressing the answer as a percentage, e.g. 92 per cent. The difference between this result (92 per cent) and 90 per cent (2 per cent in this case) is multiplied by three (3) to give a cost adjustor of six per cent.

This cost adjustor can be viewed as being unfavourable to rural and remote councils as it provides a cost adjustment for the larger urban councils.

#### **Question 32**

Please explain your opinion on the appropriateness of the urban density cost adjustor.

#### **Question 33**

What other inputs could be used?

*Accessibility Remoteness Index for Australia data is used*

### **4.2.4 Location cost adjustor**

It is acknowledged that service delivery costs more for many rural and remote councils due to isolation and distance. The methodology uses a combination of the Accessibility Remoteness Index for Australia, which is accessed from the Australian Bureau of Statistics (ABS) and the Construction Cost Index, which is accessed from the Department of Public Works.

The Construction Cost Index is not updated on a regular basis or aligned accurately with local government boundaries and feedback suggests it is an irrelevant measure for many councils.

The Accessibility Remoteness Index for Australia data from the ABS is updated regularly and is considered an accurate reflection of costs associated with service delivery in localities across the state.

### **Possible alternative input—location cost adjustor**

An alternative is to use only the Accessibility Remoteness Index for Australia scores for each council.

#### **Question 34**

In order for the costs of service delivery for rural and remote councils to be recognised, what is an appropriate source of data input for this cost adjustor?

### **4.2.5 Dispersion cost adjustor**

This adjusts council's expenditure in recognition of higher costs in providing services across a large area and where a council has a number of communities to service away from the main centre.

The methodology determines a value for each council based on population over area, which is then mathematically formulated into a value between zero and one.

Number of townships

The number of localities or communities within the local government area is the other part of this cost adjustor. The definition of a community is a population of above 50 people. An additional 0.05 per cent is added for every community.

Square kilometres per person

### Possible alternative—dispersion cost adjustor

The alternative here is to derive a cost adjustor score based on area per capita, or square kilometres per person. In order to create a formula that is clear and easy to understand, the following categories could be used:

Area per capita more than 100 km <sup>2</sup> per person	1.2–20% additional cost
Area per capita more than 50 km <sup>2</sup> per person	1.15–15% additional cost
Area per capita more than 20 km <sup>2</sup> per person	1.1–10% additional cost
Area per capita more than 5 km <sup>2</sup> per person	1.05–5% additional cost
Area per capita less than 5 km <sup>2</sup> per person	No additional cost added to expenditure categories
For Indigenous councils	1.2–20% additional cost
Torres Strait Island Regional Council	2.0–100% additional cost

This will result in each council obtaining a score of between one and two in this area.

Added to this score could be a score for the number of townships/communities with a resident population of over 50 people away from the main city or town within a council area.

An alternative definition of a township could be determined by services provided such as street lighting, garbage collection or sewerage services.

#### Question 35

Please explain your opinion of the appropriateness of the dispersion cost adjustor using square kilometres per person as a means of determining additional service delivery costs for councils with a large area.

#### Question 36

Please explain your opinion of whether services, population, or a combination of both, should be the drivers for a dispersion cost adjustor in making a determination of the number of townships within a local government area.

### 4.2.6 Growth

In the methodology, this cost adjustor recognises that councils facing high population growth experience greater costs in their service delivery. If a council's growth is above the state average then an adjustment is made.

Similarly if a council's population has decreased, an adjustment is made in recognition of the need to continue to maintain infrastructure and services.

For example, if a council's growth is one per cent higher than the state average growth, an additional 1.01 per cent is added to expenditure categories for that council.

Higher or lower than state growth

In the case of negative growth, the cost adjustor is equivalent to the decrease in population growth. For example if a council has a negative two per cent change, their expenditure categories are adjusted by a cost adjustor of 1.02 per cent.

**Question 37**

Please explain your opinion of the appropriateness of considering higher or lower than state average growth as a means of calculating an impact on service delivery costs. Please expand on other data inputs or methods.

**4.2.7 Tourism**

This cost adjustor is in recognition of the additional costs in providing garbage services and community amenities for tourists. The current methodology utilises data from the ABS as a means of calculating tourist activity and uses the percentage of people employed in the tourism industry in the local governing area. A cost adjustor is applied to every council higher than the state average in this area.

The Commission recognises that in using ABS data, which is updated at the time of census, currency is an issue and feedback suggests that the data does not always reflect the current situation for many councils.

A further consideration in this area is that councils with high levels of tourist activity may have the capacity to raise revenue as a result of tourism retail and commercial activity.

**Question 38**

Please explain your opinion of the appropriateness of the tourism cost adjustor.

**Question 39**

Are there other sources of data for this tourism cost adjustor that would result in consistency of application across the state?

**4.2.8 Non-resident service expenditure**

This cost adjustor is utilised to reflect the costs faced by councils providing services and facilities regularly used by non-residents. This is in recognition that many centres play a regional role for many areas of service provision such as sport, recreation and cultural facilities.

It is calculated from a statistical category from the ABS—*Journey to Work* data. This examines the number of people who work within a locality that do not reside in that area. This cost adjustor is capped at 1.5 and is applied to councils that have a higher than state average in this category.

As with the tourism cost adjustor, in using ABS data, currency and continued relevance are issues.

Amalgamation of councils that surround regional centres now means that regional responses can be developed.

**Question 40**

Please explain your opinion of the appropriateness of the use of the non-resident service expenditure cost adjustor.

**Question 41**

Please expand on alternative suggestions.

*Lack of accurate data across the state*

*Lack of reliable data*

# Section 5 Scaling back–matching the available funding pool

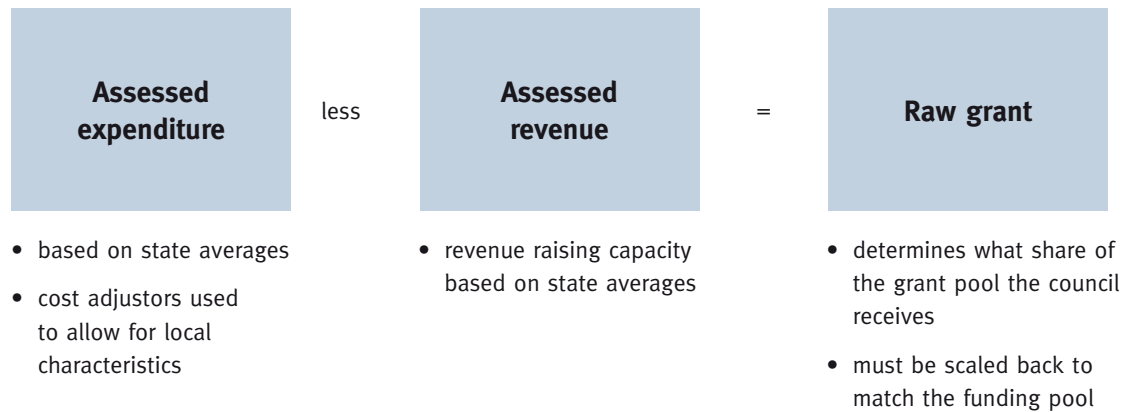
*Significant impact on council grants*

## 5.1 Overview

This is the final step in the methodology and could be argued to be the most important. To this point the methodology has considered, based on the state average level of service, what each council would **spend on expenditure** and what each council would **receive in revenue**.

For the 2009-10 grant calculation, the overall assessed expenditure figure was \$4.63 billion and the assessed revenue amount was \$3.54 billion. The difference between these two figures is the raw grant, and in 2009-10 was approximately \$1.09 billion. After each council was allocated the minimum grant, approximately \$188.43 million remained of the General Purpose Grant funding pool to meet this raw grant need, which significantly exceeds the funding pool available.

The following diagram illustrates what has occurred up until this point and the next steps to be able to match the workings of the methodology against the available funding pool.



## 5.2 Scaling back

The scaling back that occurs within the methodology is based on two processes; proportional and equalisation.

Under the proportional method of scaling back the raw grant to meet the available funding pool, each council's funding is reduced by the same proportion.

Under the equalisation method, the General Purpose Grant is allocated so that assessed revenue plus the grant equals the same proportion of assessed expenditure for all deficit councils.

The current methodology uses a combination of both methods, with 25 per cent weighting given to the proportional method and 75 per cent to the equalisation method.

*Difference between proportional and equalisation can be significant*

The following table is an illustration of how scaling back occurs under the proportional method.

Council A		Council B		Council C	
Assessed revenue	\$500 000	Assessed revenue	\$1 500 000	Assessed revenue	\$4 000 000
Assessed expenditure	\$2 000 000	Assessed expenditure	\$3 000 000	Assessed expenditure	\$5 000 000
Assessed GPG need	\$1 500 000	Assessed GPG need	\$ 500 000	Assessed GPG need	\$1 000 000
GPG grant allocation	\$750 000	GPG grant allocation	\$750 000	GPG grant allocation	\$500 000

The illustration above assumes there is exactly half of the General Purpose Grant (GPG) funds (net of the minimum grant) available to meet assessed deficits for all councils—50 per cent.

This method of scaling back is simple and tends to favour councils with a high numerical deficit. As this method does not completely meet the requirements of the national principle of horizontal fiscal equalisation, only a 25 per cent weighting is given to this scaling back option.

The equalisation method is given a 75 per cent weighting. It calculates the value of the grant required, in conjunction with assessed revenue, to finance a percentage of assessed expenditure needs equal to that financed in other councils.

For example, assuming the General Purpose Grant pool (net of the minimum grant) is sufficient to bring each council up to 80 per cent of its assessed expenditure, the General Purpose Grant allocations using the equalisation method for the councils used in the above table are detailed below.

Council A					
Assessed revenue	plus	\$1 100 000	=	\$1 600 000 or 80% of	\$2 000 000
\$500 000		GPG allocation		Assessed expenditure	
Council B					
Assessed revenue	plus	\$900 000	=	\$2 400 000 or 80% of	\$3 000 000
\$1 500 000		GPG allocation		Assessed expenditure	
Council C					
Assessed revenue	plus	\$0	=	\$4 000 000 or 80% of	\$5 000 000
\$4 000 000		GPG allocation <i>(other than minimum grant)</i>		Assessed expenditure	

#### Question 42

What is the most appropriate and equitable means of scaling back?

*Based on road length and population*

**Question 43**

Please explain your opinion of the appropriateness of determining that a council is able to meet a percentage of its assessed expenditure.

**Question 44**

What percentage level should be set for this?

### 5.3 Regression averaging step

This step is currently in the methodology and was included as part of the review in 2002-03 due to concerns about data limitations. It is a regression step, which is a statistical tool for developing averages based on more than one variable. The methodology currently averages against road length and population.

The intention of the regression step is that if there are two councils with similar populations and road lengths are extremely different, this will bring them closer together (i.e. the higher one will come down and/or the lower one will come up).

The weighting of the regression in the methodology is 50 per cent and only takes into account differences between councils in population and road length.

**Question 45**

Please explain your opinion of the appropriateness of including the regression step of averaging against road length and population.

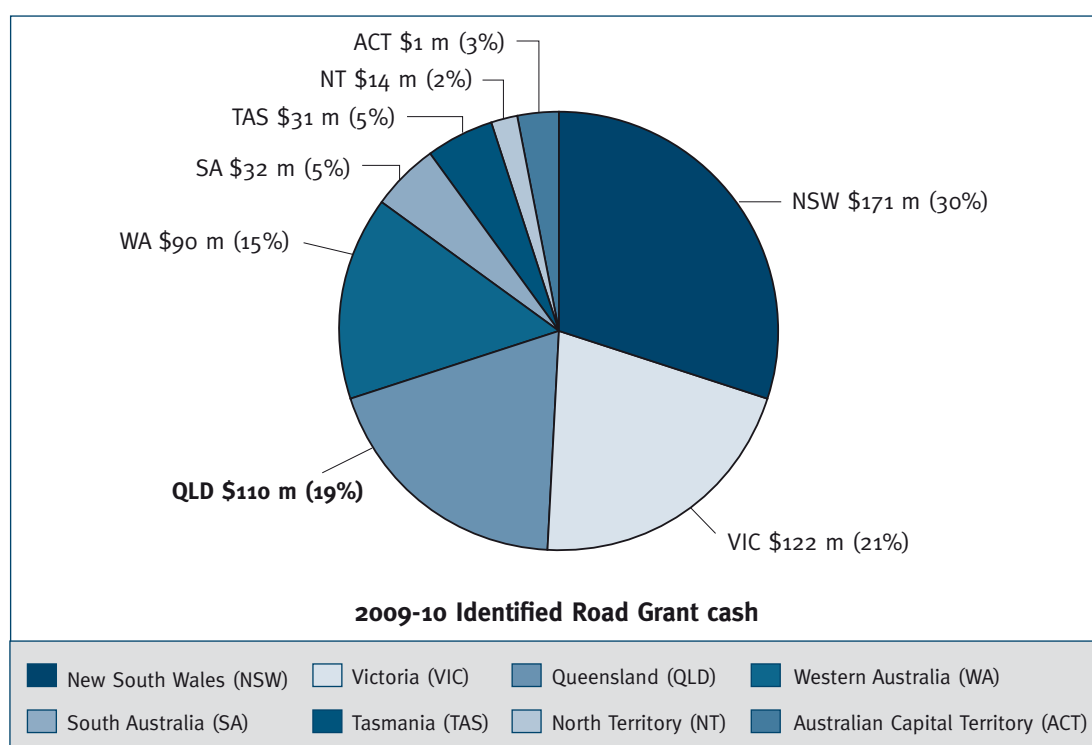
## Section 6 The Identified Road Grant

Welcome your preliminary views

The Identified Road Grant is a separate allocation from the Commonwealth each year. The growth of the funding pool size is indexed by the Consumer Price Index and population. The allocation of these grants is not part of the current review, however the Commission would like to hear your preliminary views on this allocation in order to inform future work.

Like the General Purpose Grant the Identified Road Grant is untied funds to councils and as such can be used for any council activities. It does not have to be linked to any particular road construction project. It is intended for the preservation of councils' existing road assets.

The total 2009-10 cash allocation for the Identified Road Grant is \$590.9 billion of which Queensland's share is \$110.4 million. The allocation between the states and territories is shown below.



Exploration of other methods of distribution

The Identified Road Grant came across to be part of the consideration of the grants commissions across Australia in 1991-92. The formula used at that time remains the means of distributing the grant to councils in Queensland. This is:

- 62.85 per cent allocated according to council road length
- 37.15 per cent allocated according to local government area population.

There are many other ways of allocating these funds. For example in the General Purpose Grant calculation of expenditure assessment, an asset preservation model is used that assesses the cost to maintain a council's road network including bridges and floodways. This also includes adjustors for climate, soil sub-grade, locality on-costs and terrain. The same calculations could be used for the Identified Road Grant allocations.

In addition, the Identified Road Grant could be allocated in two stages with a small percentage used for more urbanised councils and a larger percentage going to rural councils that have significant lengths of roads to maintain.

### Question 46

Although the allocation methodology for the Identified Road Grant is not part of this review, please provide feedback on your thoughts on the allocation split and any other means there might be for this allocation.

# Summary list of questions

The following summary of questions is included for your convenience when preparing your submission. Questions should be read and answered in the context of the relevant section of the discussion paper.

## **Section 2 Overview of methodology**

1. Please explain your opinion about councils with greater capacity to meet assessed expenditure through assessed revenue moving to a minimum grant level of funding.

## **Section 3 Assessing capacity to raise revenue**

2. What is your opinion of the appropriateness of determining assessed rate raising capacity by averaging unimproved capital valuations over three years?
3. Please expand on other alternatives (if any).
4. There will always be issues with the capacity for a community to pay rates against unimproved capital value. What other means could be taken into account to adjust for this?
5. Please expand on other means of assessing rates income revenue, apart from assessment against unimproved capital valuations.
6. Given that garbage charges are part of councils' assessed income, are there other ways that this could be determined and applied across the state?
7. Please explain your opinion of including rural properties as part of the revenue from garbage charges as part of this assessment.
8. Please outline any other means of assessing the income from user fees and charges that you believe could be applied across the state.
9. Considering revenue received from other grants is a national principle and therefore needs to be part of the methodology, are there other grants that should be included?
10. Should any of the above be excluded or the weightings changed?
11. Are the revenue assessment categories relevant to the own-source revenue streams available to councils?
12. What options are there to apply revenue adjustors to each council's revenue raising capacity assessment?

## **Section 4 Recognising differences in expenditure requirements**

13. Are the above expenditure categories relevant?
14. Are additional items required or should some be excluded?
15. Please explain your opinion of including actual governance related expenditure.
16. Please explain your opinion of the appropriateness of the current weightings against property (25 per cent) and population (75 per cent) in assessing administration expenditure across the state to determine an average level of service delivery. Please expand on other suggestions.
17. Please explain your opinion of the appropriateness of the current calculation of each council's assessed expenditure in public order and safety. Please expand on alternative methods of calculation.
18. Please explain your opinion of the appropriateness of the current calculation of each council's assessed expenditure in education, health, welfare and housing. Please expand on alternative methods of calculation.

19. Please explain your opinion of the appropriateness of including rural and rural residential properties in the calculation of assessed expenditure in garbage, septic and recycling. Please include other ways of calculating this.
20. Please explain your opinion of the appropriateness of the current calculation of each council's assessed expenditure in street lighting. Please expand on other alternatives to calculate assessed expenditure in this area.
21. Please explain your opinion of the appropriateness of a per capita amount for community amenities, recreation, culture and libraries as a reflection of assessed costs for councils in this area. Please expand on other means of determining assessed costs in this area.
22. Please explain your opinion of the appropriateness of using the number of residential properties as a means of assessing expenditure for building control and town planning. Please expand on other means of determining expenditure in this area.
23. Please explain your opinion of the appropriateness of using a per capita amount for assessing expenditure for business industry and development. Please expand on other means of determining expenditure in this area.
24. Please explain your opinion of the appropriateness of the current method of determining a council's assessed roads expenditure. Please expand on what other methods that could be used.
25. Please explain your opinion of the appropriateness of using council's actual net expenditure for environment and transport rather than an assessed state average.
26. Are some of these expenditure line items in the environment and transport category irrelevant?
27. Do other cost areas need to be added? Please specify.
28. Are there other methods of calculating costs in the environment and transport category?
29. Please explain your opinion of the appropriateness of using the breakdown as detailed above against population levels as a means of determining additional costs for councils away from the main centres. Please expand on other methods that could be used.
30. Please explain your opinion on the appropriateness of the calculations for demography.
31. What other demographic data inputs could be used?
32. Please explain your opinion on the appropriateness of the urban density cost adjustor
33. What other inputs could be used?
34. In order for the costs of service delivery for rural and remote councils to be recognised, what is an appropriate source of data input for this cost adjustor?
35. Please explain your opinion of the appropriateness of the dispersion cost adjustor using square kilometres per person as a means of determining additional service delivery costs for councils with a large area.
36. Please explain your opinion of whether services, population, or a combination of both, should be the drivers for a dispersion cost adjustor in making a determination of the number of townships within a local government area.
37. Please explain your opinion of the appropriateness of considering higher or lower than state average growth as a means of calculating an impact on service delivery costs. Please expand on other data inputs or methods.

38. Please explain your opinion of the appropriateness of the tourism cost adjustor.
39. Are there other sources of data for this tourism cost adjustor that would result in consistency of application across the state?
40. Please explain your opinion of the appropriateness of the use of the non-resident service expenditure cost adjustor.
41. Please expand on alternative suggestions.

### **Section 5 Scaling back—matching the available funding pool**

42. What is the most appropriate and equitable means of scaling back?
43. Please explain your opinion of the appropriateness of determining that a council is able to meet a percentage of its assessed expenditure.
44. What percentage level should be set for this?
45. Please explain your opinion of the appropriateness of including the regression step of averaging against road length and population.

### **Section 6 The Identified Road Grant**

46. Although the allocation methodology for the Identified Road Grant is not part of this review, please provide feedback on your thoughts on the allocation split and any other means there might be for this allocation.

## Attachment 1 Financial Assistance Grant—2008-09 and 2009-10 allocations

Local governing body	2008-09 Cash		
	General Purpose Grant	Identified Road Grant	Total
Aurukun Shire Council	\$1 147 698	\$93 444	\$1 241 142
Balonne Shire Council	\$2 679 531	\$1 090 302	\$3 769 833
Banana Shire Council	\$4 526 108	\$2 148 538	\$6 674 646
Barcaldine Regional Council	\$5 249 117	\$1 443 509	\$6 692 626
Barcoo Shire Council	\$1 900 386	\$698 050	\$2 598 437
Blackall-Tambo Regional Council	\$2 803 462	\$951 383	\$3 754 845
Boulia Shire Council	\$1 879 805	\$598 575	\$2 478 380
Brisbane City Council	\$19 039 160	\$12 394 590	\$31 433 750
Bulloo Shire Council	\$2 474 532	\$1 198 237	\$3 672 768
Bundaberg Regional Council	\$5 170 500	\$2 192 644	\$7 363 144
Burdekin Shire Council	\$1 507 774	\$700 025	\$2 207 799
Burke Shire Council	\$1 753 654	\$417 572	\$2 171 226
Cairns Regional Council	\$3 407 014	\$2 171 454	\$5 578 468
Carpentaria Shire Council	\$2 577 477	\$890 693	\$3 468 170
Cassowary Coast Regional Council	\$1 753 947	\$832 372	\$2 586 319
Central Highlands Regional Council	\$6 093 061	\$2 504 802	\$8 597 862
Charters Towers Regional Council	\$4 612 293	\$2 103 762	\$6 716 055
Cherbourg Aboriginal Shire Council	\$242 024	\$43 716	\$285 740
Cloncurry Shire Council	\$2 342 576	\$811 419	\$3 153 994
Cook Shire Council	\$4 153 126	\$1 176 709	\$5 329 835
Croydon Shire Council	\$1 458 781	\$381 101	\$1 839 883
Dalby Regional Council	\$11 889 624	\$4 161 540	\$16 051 164
Diamantina Shire Council	\$3 492 994	\$523 054	\$4 016 048
Doomadgee Aboriginal Shire Council	\$572 666	\$68 724	\$641 390
Etheridge Shire Council	\$2 105 617	\$675 463	\$2 781 081
Flinders Shire Council	\$2 571 234	\$1 039 599	\$3 610 833
Fraser Coast Regional Council	\$4 689 480	\$1 843 874	\$6 533 354

2009-10 Cash			Difference (\$)		
General Purpose Grant	Identified Road Grant	Total	General Purpose Grant	Identified Road Grant	Total
\$1 146 212	\$94 518	\$1 240 730	-\$1 486	\$1 074	-\$412
\$2 981 085	\$1 101 999	\$4 083 083	\$301 553	\$11 697	\$313 250
\$4 736 539	\$2 169 848	\$6 906 387	\$210 431	\$21 310	\$231 741
\$5 142 690	\$1 401 956	\$6 544 646	-\$106 427	-\$41 553	-\$147 980
\$2 114 259	\$756 910	\$2 871 169	\$213 873	\$58 860	\$272 733
\$2 746 600	\$874 510	\$3 621 110	-\$56 862	-\$76 873	-\$133 735
\$2 032 716	\$605 643	\$2 638 359	\$152 911	\$7 068	\$159 979
\$19 302 169	\$12 433 937	\$31 736 106	\$263 009	\$39 348	\$302 356
\$2 651 043	\$1 139 094	\$3 790 137	\$176 511	-\$59 143	\$117 368
\$5 065 568	\$2 226 739	\$7 292 307	-\$104 932	\$34 095	-\$70 837
\$1 562 572	\$707 182	\$2 269 754	\$54 798	\$7 158	\$61 956
\$1 881 228	\$422 586	\$2 303 815	\$127 574	\$5 014	\$132 588
\$3 407 459	\$2 261 292	\$5 668 751	\$445	\$89 838	\$90 283
\$2 867 556	\$1 106 731	\$3 974 287	\$290 079	\$216 039	\$506 118
\$1 944 466	\$844 333	\$2 788 800	\$190 519	\$11 962	\$202 481
\$6 754 997	\$2 400 034	\$9 155 030	\$661 936	-\$104 768	\$557 168
\$4 518 626	\$2 128 408	\$6 647 034	-\$93 668	\$24 646	-\$69 021
\$263 484	\$43 478	\$306 962	\$21 461	-\$239	\$21 222
\$2 606 225	\$867 706	\$3 473 931	\$263 649	\$56 288	\$319 937
\$4 620 605	\$1 191 253	\$5 811 858	\$467 479	\$14 543	\$482 022
\$1 550 515	\$394 007	\$1 944 522	\$91 733	\$12 906	\$104 639
\$11 648 447	\$3 812 480	\$15 460 928	-\$241 176	-\$349 060	-\$590 236
\$3 705 912	\$529 358	\$4 235 270	\$212 919	\$6 304	\$219 223
\$628 124	\$69 864	\$697 988	\$55 458	\$1 140	\$56 598
\$2 020 982	\$683 705	\$2 704 687	-\$84 635	\$8 242	-\$76 394
\$2 642 119	\$1 051 582	\$3 693 702	\$70 885	\$11 983	\$82 868
\$4 594 320	\$1 728 311	\$6 322 631	-\$95 160	-\$115 563	-\$210 723

## Attachment 1 Financial Assistance Grant—2008-09 and 2009-10 allocations

Local governing body	2008-09 Cash		
	General Purpose Grant	Identified Road Grant	Total
Gladstone Regional Council	\$4 266 529	\$1 659 433	\$5 925 962
Gold Coast City Council	\$8 953 185	\$5 805 464	\$14 758 649
Goondiwindi Regional Council	\$4 962 445	\$1 265 756	\$6 228 201
Gympie Regional Council	\$3 714 083	\$1 495 143	\$5 209 225
Hinchinbrook Shire Council	\$935 493	\$443 602	\$1 379 095
Hope Vale Aboriginal Shire Council	\$549 639	\$91 554	\$641 193
Ipswich City Council	\$3 551 525	\$2 005 732	\$5 557 257
Isaac Regional Council	\$4 760 166	\$1 708 698	\$6 468 864
Kowanyama Aboriginal Shire Council	\$715 795	\$104 386	\$820 181
Lockhart River Aboriginal Shire Council	\$666 901	\$126 178	\$793 080
Lockyer Valley Regional Council	\$1 778 881	\$988 492	\$2 767 373
Logan City Council	\$5 818 217	\$3 495 345	\$9 313 562
Longreach Regional Council	\$5 095 315	\$1 374 806	\$6 470 120
Mackay Regional Council	\$4 185 005	\$2 199 761	\$6 384 766
Mapoon Aboriginal Shire Council	\$577 506	\$18 305	\$595 811
McKinlay Shire Council	\$2 507 802	\$859 661	\$3 367 463
Moreton Bay Regional Council	\$7 332 908	\$4 681 430	\$12 014 338
Mornington Shire Council	\$1 293 902	\$262 591	\$1 556 493
Mount Isa City Council	\$2 068 079	\$1 144 072	\$3 212 150
Murweh Shire Council	\$3 323 697	\$1 248 438	\$4 572 135
Napranum Aboriginal Shire Council	\$457 690	\$18 085	\$475 775
North Burnett Regional Council	\$7 509 298	\$2 186 324	\$9 695 622
Northern Peninsula Area Regional Council	\$2 035 493	\$184 218	\$2 219 711
Palm Island Aboriginal Shire Council	\$514 659	\$38 837	\$553 496
Paroo Shire Council	\$2 630 556	\$1 012 774	\$3 643 331
Pormpuraaw Aboriginal Shire Council	\$575 508	\$262 426	\$837 934
Quilpie Shire Council	\$2 769 179	\$1 144 308	\$3 913 487

2009-10 Cash			Difference (\$)		
General Purpose Grant	Identified Road Grant	Total	General Purpose Grant	Identified Road Grant	Total
\$4 179 925	\$1 729 287	\$5 909 212	-\$86 605	\$69 854	-\$16 750
\$9 258 703	\$6 087 067	\$15 345 769	\$305 517	\$281 603	\$587 120
\$4 861 847	\$1 227 178	\$6 089 025	-\$100 598	-\$38 578	-\$139 176
\$3 638 663	\$1 732 092	\$5 370 755	-\$75 419	\$236 949	\$161 530
\$969 754	\$439 924	\$1 409 679	\$34 262	-\$3 678	\$30 584
\$603 923	\$92 255	\$696 178	\$54 284	\$701	\$54 985
\$3 458 819	\$2 166 710	\$5 625 529	-\$92 706	\$160 978	\$68 272
\$4 663 575	\$1 728 980	\$6 392 555	-\$96 591	\$20 282	-\$76 309
\$787 504	\$105 607	\$893 111	\$71 710	\$1 220	\$72 930
\$734 065	\$152 875	\$886 940	\$67 164	\$26 696	\$93 860
\$1 887 271	\$1 014 527	\$2 901 798	\$108 390	\$26 035	\$134 425
\$5 670 936	\$3 496 772	\$9 167 708	-\$147 282	\$1 428	-\$145 854
\$4 991 983	\$1 493 773	\$6 485 756	-\$103 331	\$118 967	\$15 636
\$4 176 574	\$2 350 965	\$6 527 539	-\$8 430	\$151 204	\$142 774
\$594 064	\$18 457	\$612 521	\$16 558	\$152	\$16 710
\$2 445 559	\$908 687	\$3 354 246	-\$62 243	\$49 026	-\$13 217
\$7 333 866	\$4 712 583	\$12 046 449	\$958	\$31 153	\$32 111
\$1 293 902	\$265 626	\$1 559 527	\$0	\$3 035	\$3 035
\$2 300 767	\$1 160 569	\$3 461 336	\$232 688	\$16 497	\$249 185
\$3 697 760	\$1 277 512	\$4 975 272	\$374 063	\$29 074	\$403 137
\$502 251	\$18 067	\$520 318	\$44 561	-\$18	\$44 543
\$7 356 970	\$2 556 117	\$9 913 087	-\$152 328	\$369 792	\$217 465
\$2 046 485	\$186 583	\$2 233 068	\$10 992	\$2 365	\$13 357
\$562 349	\$38 812	\$601 160	\$47 690	-\$25	\$47 665
\$2 926 613	\$991 359	\$3 917 972	\$296 057	-\$21 415	\$274 642
\$633 623	\$265 624	\$899 247	\$58 116	\$3 198	\$61 313
\$2 739 252	\$936 381	\$3 675 634	-\$29 927	-\$207 927	-\$237 854

## Attachment 1 Financial Assistance Grant—2008-09 and 2009-10 allocations

Local governing body	2008-09 Cash		
	General Purpose Grant	Identified Road Grant	Total
Redland City Council	\$3 011 903	\$1 745 286	\$4 757 189
Richmond Shire Council	\$1 836 689	\$559 349	\$2 396 037
Rockhampton Regional Council	\$5 989 206	\$2 523 859	\$8 513 065
Roma Regional Council	\$9 144 993	\$3 257 760	\$12 402 753
Scenic Rim Regional Council	\$1 816 618	\$1 210 302	\$3 026 920
Somerset Regional Council	\$1 831 774	\$999 367	\$2 831 142
South Burnett Regional Council	\$6 044 680	\$1 796 542	\$7 841 223
Southern Downs Regional Council	\$4 728 731	\$1 737 735	\$6 466 466
Sunshine Coast Regional Council	\$6 446 115	\$4 495 289	\$10 941 403
Tablelands Regional Council	\$6 192 184	\$2 142 113	\$8 334 297
Toowoomba Regional Council	\$9 676 749	\$4 559 228	\$14 235 977
Torres Shire Council	\$1 908 289	\$58 225	\$1 966 514
Torres Strait Island Regional Council	\$5 792 882	\$142 096	\$5 934 978
Townsville City Council	\$4 481 761	\$2 296 588	\$6 778 349
Whitsunday Regional Council	\$2 341 382	\$1 130 327	\$3 471 709
Winton Shire Council	\$3 788 392	\$1 163 891	\$4 952 283
Woorabinda Aboriginal Shire Council	\$219 723	\$45 075	\$264 798
Wujal Wujal Aboriginal Shire Council	\$201 271	\$12 555	\$213 826
Yarrabah Aboriginal Shire Council	\$412 857	\$48 145	\$461 003
<b>State total</b>	<b>\$261 509 296</b>	<b>\$108 904 701</b>	<b>\$370 413 997</b>

2009-10 Cash			Difference (\$)		
General Purpose Grant	Identified Road Grant	Total	General Purpose Grant	Identified Road Grant	Total
\$2 827 680	\$1 777 971	\$4 605 651	-\$184 223	\$32 684	-\$151 538
\$1 951 149	\$639 225	\$2 590 373	\$114 460	\$79 876	\$194 336
\$6 293 056	\$2 632 690	\$8 925 747	\$303 850	\$108 832	\$412 682
\$8 959 465	\$3 099 722	\$12 059 187	-\$185 528	-\$158 038	-\$343 567
\$2 004 091	\$1 228 128	\$3 232 219	\$187 473	\$17 826	\$205 299
\$2 030 728	\$991 882	\$3 022 610	\$198 954	-\$7 485	\$191 469
\$5 922 097	\$1 767 008	\$7 689 105	-\$122 583	-\$29 535	-\$152 117
\$5 242 474	\$1 719 452	\$6 961 927	\$513 743	-\$18 283	\$495 461
\$6 446 957	\$4 700 727	\$11 147 684	\$842	\$205 439	\$206 281
\$6 864 930	\$2 201 845	\$9 066 775	\$672 745	\$59 733	\$732 478
\$9 480 184	\$4 748 300	\$14 228 484	-\$196 565	\$189 072	-\$7 493
\$1 992 938	\$59 097	\$2 052 035	\$84 649	\$872	\$85 521
\$5 824 231	\$143 721	\$5 967 952	\$31 349	\$1 625	\$32 975
\$4 482 346	\$2 385 637	\$6 867 983	\$586	\$89 049	\$89 634
\$2 595 708	\$1 138 288	\$3 733 996	\$254 326	\$7 961	\$262 287
\$4 214 801	\$1 177 700	\$5 392 500	\$426 409	\$13 809	\$440 217
\$239 049	\$45 609	\$284 658	\$19 326	\$535	\$19 860
\$219 124	\$12 466	\$231 589	\$17 853	-\$89	\$17 764
\$412 659	\$48 200	\$460 859	-\$198	\$54	-\$144
<b>\$267 457 191</b>	<b>\$110 719 520</b>	<b>\$378 176 711</b>	<b>\$5 947 895</b>	<b>\$1 814 820</b>	<b>\$7 762 714</b>



**Queensland Local Government Grants Commission**

PO Box 15285, City East Qld 4002 Australia

**Tel:** +61 7 3225 8693

**Fax:** +61 7 3225 8685

[enquiries@qlggc.qld.gov.au](mailto:enquiries@qlggc.qld.gov.au)

[www.qlggc.qld.gov.au](http://www.qlggc.qld.gov.au)